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DATA ON ARTS ORGANIZATIONS:
A REVIEW AND NEEDS ASSESSMENT, WITH DESIGN IMPLICATIONS

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Preface

The notion that the arts are a central feature of a good society predates the twentieth century. But the idea that there is a public interest in the vitality of the arts, and a role for coordinated public and private action in taking stock in, supporting, and ensuring the vigor and autonomy of a healthy arts sector is a distinctly twentieth century notion. In the 1920s in the United States, private foundations, especially the Carnegie Corporation under Frederick Keppel (1933), developed the notion that the arts were an appropriate object of public policy. Later, in England, John Maynard Keynes (1936) advanced a conversation that would culminate in the creation of the Arts Council of Great Britain.

It has been widely accepted that coordinated activity in any field, whether publicly or privately initiated, should be informed by analyses, based on complete and reliable information, that enable policy makers to foresee the consequences of their interventions with respect to the goals they seek to achieve. To that end, policy makers in fields as diverse as health care, education, social welfare, criminal justice, and science policy have created elaborate and informative (if usually imperfect) data systems to help guide their deliberations. By contrast, cultural policy makers in both the public and private sectors have had to navigate without the assistance of a national statistical system. It is the goal of this project to contribute to a much larger effort to create for the arts the kind of statistical system upon which policy makers in other fields have come to rely: "standardized data collected at regular intervals, national samples or populations, attention to archiving and time series to permit comparisons over time, design and analysis geared to multiple users, and universal public access" (Weiss and Gruber 1987: 364; their definition is based on recommendations of a National Academy of Sciences panel [Abramson 1978]).

This project is a product of the type of public/private/academic partnership that the authors advocate in the concluding chapter. As part of a three-year planning phase, the Center for Arts and Cultural Policy Studies of Princeton University's Woodrow Wilson School decided to undertake two studies of the information infrastructure for arts policy research. The second of these was to comprise a survey of major programs of data collection on arts organizations. (The first, to be published separately, is an inventory of individual-level data sets on public participation in the arts.) Support for the research was provided under program grants to the Center from the Nathan Cummings

Foundation and the Andrew W. Mellon Foundation.

The Center retained the services of Deborah A. Kaple, who holds the Ph.D. in Sociology from Princeton University and who has extensive applied and academic research experience, to undertake this project. As the work was being planned, we learned that the National Endowment for the Arts Research Division had independently conceived of a study very much like the one we expected to undertake, but with a particular emphasis on developing a unified national system for the collection of financial data on arts organizations. The Center responded to the Research Division's Program Solicitation and was chosen to undertake the research.

Support from the NEA enabled us to launch a project that was considerably more ambitious than the one originally conceived. It permitted us to examine a broader range of data sources in somewhat more detail, to draw on private support to conduct an extensive assessment of stakeholders' perceived need for data on arts organizations, and to undertake examinations of the capacity of existing data sets to identify populations of arts organizations in three major metropolitan areas. These three subprojects are described in order in chapters 2 through 4 of this report.

The project was fortunate to acquire the services of three talented, dedicated, and, at times, indefatigable researchers. Lori Morris, a Ph.D. in Sociology from Northwestern University with extensive experience in qualitative research on theatre and education, and Ziggy Fish, a doctoral student in Sociology at Princeton whose many talents include a superb grasp of computers and their applications, joined the project almost immediately, and their contributions to every phase of the work are reflected in their co-authorship of this report. Hugh Louch, a doctoral student in Sociology at Princeton, joined in the three-city study, taking responsibility for the Dallas-Fort Worth research and for the tables presented in chapter 4, of which he is co-author.

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Like Blanche Dubois, researchers who leave archive and laboratory to study the concerns of actual people in the real world have always depended on the kindness of strangers. We are heavily indebted to an enormous number of strangers and friends who gave generously of their time to help us achieve the project goals. We are deeply

grateful to the Nathan Cummings Foundation and the Andrew W. Mellon Foundation, whose planning grant in support of the Center for Arts and Cultural Studies made it possible to undertake a study of data on arts organizations; and to the National Endowment for the Arts, Research Division, whose support through cooperative agreement NEA DCA-96-53, made it possible to extend upon our original plans. This report builds upon earlier work commissioned by the Research Division, which has worked systematically to improve the quality of data relevant to arts management and cultural policy making for more than two decades. We benefitted throughout the project from the assistance, experience, and insights of Tom Bradshaw, the Director of the Research Division. We are also grateful to Mr. Bradshaw and his staff for hosting a two-day meeting in Washington in June 1996 to discuss a preliminary report of this research. We also thank Stanley Katz of Princeton University and the American Council of Learned Societies, co-chairman of the Center for Arts and Cultural Policy Studies, for his support of and assistance in the project.

We owe a particular debt to the members of the project advisory committee, who assisted us in many ways, and who are listed in Appendix 1. We are especially grateful to the members who attended the June Conference at the National Endowment for the Arts (listed in Appendix 2), and for the invaluable contributions that each of them made to a discussion that helped us think more broadly about the project and about the role of data more generally. To the extent that this report breaks new ground, the vision of the participants in that meeting -- their ability and willingness to think about old subjects in new ways -- is in large part responsible.

Because we promised anonymity to those who participated in the needs assessment part of this study, we cannot thank those people by name. We are immensely grateful for the time they all took to discuss their own use of and hopes for data on arts organization with project interviewers. Their insights were the original foundation upon which the conclusions and recommendations of this report were built.

We appreciate the assistance of executives and research staff of the arts service organizations whose data collection efforts we reviewed in understanding the systems they have developed and implemented. Special thanks to Patricia E. Williams and Roxana J. Adams of the American Association of Museums, Millicent Hall Gaudieri of the Association of Art Museum Directors, Catherine French and Heather Dinwiddie of the American Symphony Orchestra League, Dean Stein of Chamber Music America, John Munger of Dance/USA, Thomas Porter of the National Jazz Service Organization, Randy Cohen of the National Assembly of Local Arts Agencies, Kelly J. Barsdate of the National Assembly of State Arts Agencies, Arthur R. Smith of Opera America, and Barbara Janowitz, formerly of the Theatre Communications Group.

We are also greatly indebted to those local partners who advised us on, made available documents about, and facilitated our entry into the arts worlds of Philadelphia, Dallas/Fort Worth, and Minneapolis/St. Paul. For Philadelphia, a big thanks goes to Marian Godfrey, Jackie Chambers and Doug Bauer at the Pew Charitable Trust, for all the time and trouble they went to in helping us understand the arts scene and compile our lists. In Dallas/Fort Worth, Patricia Porter of the Dallas Business Committee for the Arts was incredibly helpful and supportive, both in providing advice and in contacts and materials. We also thank Ken Kahn and the staff at the Arts Council of Fort Worth and Tarrant County for their help. For Minneapolis/St. Paul, we extend special thanks to

Sarah Luttman of the Bush Foundation and Phil Lindsay of the Minneapolis Community Development Agency. In addition, we extend our thanks to Jon Skaalen of the Minnesota Association of Community Theatres and John Munger of the Minnesota Dance Alliance for their invaluable assistance. Without their help, we could not possibly have compiled useful lists of organizations in those cities in the brief time available.

In addition to those listed above, we would like to thank Blanche Anderson, Cindy Gibson and Donna DeFrancisco of the Sociology Department, as well as Patricia Trinity of the Woodrow Wilson School of Princeton University. Without their cheerful and prompt assistance, the day-to-day administration of this project would not have been possible.

* * *

The people who invested their time and energy in helping us carry out this research did so, we believe, because they shared our conviction that the welfare of the arts sector in this U.S., and the wisdom with which private and public cultural policy makers fashion their programs, will depend to some extent on the quality of the data that are available to them. We hope that in presenting information about existing information systems and their uses, in compiling and synthesizing the views about and hopes for data on arts organizations of a large number of practitioners, policy makers, and researchers who rely heavily upon such data, and in describing alternative approaches to data collection, this report will provide a foundation for an ongoing conversation and program of inquiry that will culminate in the creation of organizational data systems for cultural policy and arts management that reflect the changing composition of the nonprofit arts fields and that provide as sophisticated a basis for informed action as do information systems available to managers and policy makers in such fields as education and health care. For that reason, we regard the completion and publication of this report as a commencement, in the sense that colleges use the word at graduation time: the conclusion of something that derives justification mainly from its value as a basis for the subsequent activity.

EXECUTIVE SUMMARY

The purpose of this project was to describe the data resources on arts organizations that are currently available to inform the efforts of policy makers, arts managers, and researchers working in the arts fields; to assess the kinds of information on arts organizations that such men and women believe they need to do their work more effectively; to examine the extent to which existing resources meet those needs; and to suggest alternative strategies -- subject to the conditions of feasibility, flexibility, and cost-efficiency -- by which data that people want can be collected.

We start with the assumption that only good data are worth collecting. By "good" organizational data, we mean data that are reliable, are comparable across organizations, cover a representative range of organizations in every field, are comparable over time (so that it is possible to study change), measure things that are important to managers and policy makers, and are widely accessible and widely used.

We recommend a three-part system. The centerpiece is a Unified Data Base (UDB) that builds upon lists of arts organizations generated by the IRS 990 and National Standard data bases. The UDB would address the central problems the field now faces: We don't know what the universe of arts organizations looks like; we don't have much information about most of the organizations in it; and we cannot generalize even the information we do have beyond the relatively few organizations that supply it.

The UDB would contain information -- available in the other data bases or easy for arts organizations to supply -- that answers a few key questions about organizations' finances and activities. It would enable researchers to generate highly reliable estimates on time trends in the characteristics about which data are collected; and trends in the creation and demise of different kinds of arts organizations. It would also provide a reliable way for researchers in service organizations and academic institutions to draw representative samples of arts organizations of many kinds for more specialized inquiries.

In addition to the UDB, the broader system we envision would include a continuation and perhaps broadening of the systematic efforts at data collection now undertaken by such service organizations as the American Symphony Orchestra League (the League), the Association of Art Museum Directors (AAMD), OPERA America, the Theatre Communications Group (TCG), and other service organizations; and selected community-based research efforts, responsive to local conditions and local needs, mounted by coalitions of local service organizations, grantmakers, and arts agencies. Such efforts will draw on the baseline

information and the capacity to draw reliable samples that the UDB will provide, but will go beyond the UDB in scope and depth.

Introduction

The arts field has been eternally data-poor. The researcher interested in hospital or universities can benefit from decades of systematically collected data useful for assessing change and performance. Advocates for health care reform or federal support of university-based scientific research have reams of statistics upon which to draw to support their arguments. By contrast, researchers and policy makers in the cultural field must piece together information from a dozen sources to make even crude estimates of the dimensions of the nonprofit cultural sector -- its aggregate revenues and expenditures, the number of people it employs, and the size of the audience it serves. Reliable information on how these have changed over time is even scarcer. And, ironically, information about what matters most to people who value the arts -- the things that arts organizations actually *do*, their programmatic contributions to Americans' continuing education and quality of life -- is, with few exceptions, unavailable. The existence of so much activity, supported with so many public and philanthropic dollars, with so little capacity for tracking, assessment, or even identification of the organizational players, is to some extent an anomaly in American public life.

Dissatisfaction with the quality of information on arts organizations pre-dates even the New Deal. The Commission on Social Change, appointed by President Hoover to document and summarize the implications of social research for public policy making, included a chapter on the arts, prepared by Frederick Keppel. The committee's chair, William Ogburn, wrote to the Commission's presidential liaison that Keppel "has an exceedingly difficult subject to deal with, one where statistical evidence is extremely rare. I think therefore that not as much can be expected from ... this subject as for others" (Tobin 1995:549).

The 1960s brought renewed interest in arts statistics, and the National Endowment for the Arts has accomplished some real improvements, collecting and making available to researchers reliable data on audiences through the Surveys of Public Participation in the Arts, working with the states to establish the National Standard for Arts Information as a comprehensive grant-reporting system, and collating such data on organizations as are available in the *Sourcebook of Arts Statistics.* For reliable research on organizational

change, however, existing information is inadequate. In 1966, William Baumol and William Bowen reported that assembling the data they needed for their classic study of the economics of the performing arts, *Performing Arts: The Economic Dilemma* "turned out to be a task of enormous proportions. Seldom were the pertinent data readily available, and investigation showed that such figures as did exist were often unreliable. We had no choice, therefore, but to seek many of the requisite materials from primary materials wherever these could be found" (Baumol and Bowen 1968 [1966]:4-5). Almost thirty years later, in a systematic study of the nonprofit sector, Bowen and his colleagues (1994) wrote of the arts fields: "... it is virtually impossible to find consistent time-series data that extend farther back than the late 1970s or the early 1980s. In the end, we concluded that the only alternative was to assemble the data ourselves."

Existing Sources of Data on Arts Organizations

Of course, many data on arts organizations *are* currently collected. Our first order of business was to review these data and to evaluate their strengths and weaknesses. This part of the research focussed upon data collected by the major arts service organizations; and two major sources of information on the arts field as a whole, the IRS 990 (Business Master File) data base, and the National Standard for Arts Information maintained by the National Assembly of State Arts Agencies (NASAA). (We also reviewed more specialized sources of information like the Foundation Center Grants Index and the Census of Service Industries, but do not discuss them in this summary.)

In addition to interviewing and reviewing materials on such data resources, we also conducted an empirical study of arts organizations in three metropolitan areas -- Philadelphia, Dallas-Fort Worth, and Minneapolis-St. Paul -- with the object of, first, compiling as complete as possible a list of professional arts organizations and, second, comparing the effectiveness of different data bases in identifying the organizations that existed. Because of the critical need for a population list that could serve as a sample frame, the inclusiveness and bias of sources are particularly important in considering them as a basis for a unified data base, or in evaluating research based upon them.

In compiling lists, we not only aggregated information from service organizations, the IRS Business Master File, and the National Standard, but also drew heavily on specialized lists provided by local and statewide service organizations and grantmakers, systematic review of the local press, and consultation with expert informants familiar with

each place. Because time was limited, we cannot be sure that every eligible organization is included among the more than 600 found in the three areas studied; and we were forced not to include certain organizations -- organizations whose function was limited to the presentation of traveling performances, organizations without full-time equivalent artistic (or curatorial) staff, and organizations in the fields of literature and media arts. But the results of this study are informative nonetheless.

None of the data sources we reviewed meets the standards of policy-relevant information -- technical quality and reliability, comprehensiveness of coverage, comparability across disciplines and over time, and easy accessibility to researchers. The main problems lie not in the quality of the data-collection efforts, but in the purposes for which they were designed.

Arts service organizations. We were impressed by the effort that the major service organizations (except for the American Association of Museums, which is just now developing a program) put into data collection and by the sophistication of the staff with responsibility for these efforts. In particular, the leading service organizations have developed substantial credibility with their membership and substantial expertise in garnering relatively high response rates, in educating respondents to provide reliable information, screening responses for data quality (often by comparing them to information from audited financial statements), and working with respondents to confirm the accuracy of reports after survey instruments are returned.

Most art service organizations routinely collect financial data from their members, with fields for both revenues and expenditures. Some also collect information about organizations' staff structures, especially artistic or technical staff. Fewer collect information about repertoire or other program activities, or about audience size or characteristics. Many attempt to plot change over time in financial information, using panels of organizations that have responded for several consecutive years for this purpose. Some service organizations conduct salary surveys and other specialized inquiries, including flash surveys on topics of particular interest.

Most service organizations publish the results of their surveys in highly aggregated form, and use the information for purposes of advocacy and public education. The primary uses, however, are internal. Most service organizations use the data they collect to assist members who wish to compare themselves to organizations that are comparable in

budget and mission or to refer members to other organizations that have faced comparable challenges (for example, expanding exhibition space or maintaining a second stage).

The major problems with service-organization data reflect the purposes for which they are collected. First, service organizations survey their membership, but their membership tends to consist of only the larger organizations in their fields, either by design (as in the case of AAMD [which surveys former members as well] or because many of the organizations are very small (TCG or Dance/USA). (The League is an exception in that its membership is more comprehensive, but response rates from smaller orchestras are considerably lower than from the largest, biasing its coverage in a similar, albeit less serious, way.) Consequently, data from service organizations, while often useful for plotting trends among the larger organizations in each field, provide little or less reliable information about smaller entities. This problem partly reflects the reasonable inclination of organizations to be primarily concerned with their membership; but it also reflects the lack of comprehensive lists of arts organizations that do not belong to such organizations from which samples of nonmembers could be drawn. (Even more serious bias in available information, of course, comes from the fact that some arts organizations don't fit into established disciplines, some disciplines don't have service organizations, and service organizations for other fields don't have the resources to mount serious data-collection efforts)

This bias is evident when we compared the names of arts organizations provided by service organizations to the universe of organizations identified in the three-city study. Only 19 percent of the latter appeared on the service-organization lists (and just 25 percent of those in the disciplines for which lists were available). Coverage varied from place to place, ranging from 10 percent in Dallas-Fort Worth to 36 percent in the Twin Cities. Service organization included 77 percent of organizations with budgets of more than $1 million, 26 percent of those with budgets ranging from $100,000 to $1 million, and 13 percent of organizations whose budgets were smaller or could not be identified. Had service organization lists not been used in the study, 3 percent of the arts organizations in the universe would not have been identified.

Second, many service organizations attempt to create time series to examine trends, especially financial trends, among their members. Some of these programs, like the League's, have been long-standing, and the most advanced service organization programs

make heroic efforts to maintain panels that permit confident analysis of trends. From the standpoint of the larger research community, such efforts are useful, but flawed. For one thing, organizations included in panels tend to be the larger ones in the field; but because the panels consist of only some of the large organizations, it is not clear to what population one can generalize trend results. (Bias would be introduced, for example, if organizations that can produce useable data year after year are better managed than those that cannot.) For another, interruption of panels due to drop-outs limits the spans over which trends can be reliably followed. It would be easier to chart trends by sampling organizations in a field year after year, so that one could project results to the same population even if different organizations failed to respond in different years, and most service organizations try to do this by reporting results from their membership data base. But lacking adequate sampling frames, associations have been forced to rely on costly panel studies.

A third dilemma reflects the fact that different service organizations use different definitions of key terms, ask different questions, or ask the same questions in different ways, therefore rendering their data inappropriate for comparing information and trends across disciplines. This reflects the fact that service organizations focus on their own fields, and therefore are quite reasonably unwilling to change questions that have been the basis for establishing long-term within-discipline trends.

Finally, arts service organizations have been reluctant to share their data (in the machine-readable form necessary for further analysis) with outside researchers. (The extent of this reluctance is sometimes disputed, but no service organization routinely archives and documents its data for public use.) This recalcitrance, which greatly reduces the potential payoff of research investments, reflects concern for the confidentiality of the information that their members provide (and with even the appearance of threats to that confidentiality). The problem is exacerbated because most service organizations use the data they collect for technical assistance purposes, including networking and benchmarking, that require them to maintain it in a form in which respondents are easy to identify.

In summary, although some arts service organizations maintain sophisticated programs of data collection, the data they collect do not substitute for an integrated data base because they are biased towards organizations in disciplines with strong service organizations, biased within disciplines towards organizations that join service

organizations, not generalizable to the disciplines as a whole or (taken together) to the arts field, permit only limited conclusions about over-time trends, are unsuitable for comparison across disciplines, and are in most cases quite closely held. Some of these problems (like bias against fields without service organizations) are intrinsic; others (like concerns about confidentiality) are technically solvable, if sufficient inducement were to become available. For still others (representativeness of samples, comparability across disciplines, comprehensiveness of time trends), some form of unified data base is necessary.

Service organizations can make critical contributions to any national data-gathering effort. They have strong track records in surveying many of the organizations in their fields, and their support for such an effort would be useful in gaining the cooperation of their members. Perhaps even more important, their research staff have a wealth of valuable expertise in the operational aspects of surveying arts organizations, especially in anticipating respondent burden and working with organizations to provide reliable data. We recommend that they retain primary responsibility for ongoing research on organizations in the disciplines in which they are active. For all these reasons, they will be important partners in the development of a unified data base.

If the National Endowment for the Arts, or some consortium of public and private agencies, is to develop such a UDB, cost-efficiency will require that it be based upon existing data bases. The two most promising data bases for this purpose are the IRS Business Master File of Form 990 tax returns from nonprofit organizations; and the National Standard data on organizations receiving grants from state arts agencies.

IRS 990s. Nonprofit organizations that apply for and receive tax-exempt status under Section 501(c)3 of the Internal Revenue Code are required to file Form 990s if they have revenues of more than $25,000 a year. Data on these organizations are included in the IRS Exempt Organizations/Business Master File (BMF).

The BMF (or "990") is of great potential value in assembling a comprehensive list of nonprofit arts organizations precisely because compliance is required, and not voluntary. Even today, no other source collects comparable information from so many nonprofits on such a regular basis. As the only national data base containing financial data (albeit limited information) on nonprofit organizations, the BMF offers unique advantages. It also suffers from certain disadvantages:

First, coverage of very small organizations is incomplete. Except for organizations

that file on a voluntary basis, organizations with revenues of $25,000 or less are absent from the annual financial data base, although those that have received tax-exempt status remain in the data base of organization names (often, even if they go out of business).

Second, arts organizations that are part of larger non-arts organizations (like university art museums) do not have separate files. Information for such organizations is aggregated with other information on their parent organizations, and categorized under the parent's main purpose. Non-arts organizations that, like some community organizations or settlement houses and many presenting organizations that are nonetheless important arts programmers, are not coded as arts and cultural organizations in the data base.

Third, in the past there have been many cases of misclassification of organizations by area of activity, and defunct organizations have often remained in the data base long after becoming inactive. This problem is likely to be ameliorated due to improved training of IRS field agents and cooperation between IRS and the National Center for Charitable Statistics on refinement of the National Taxonomy of Exempt Entities, which IRS has adopted for use in the BMF beginning in 1996. IRS also includes each organization's Employer Identification Number (EIN) in its file, facilitating merger of IRS data with data from other files employing the EIN.

Despite these problems, BMF data are a valuable resource. 49 percent of the organizations located in the three-city study were in the IRS data base (twice the proportion in the National Standard and two and one half times the number found on service organization lists), and almost 10 percent appeared uniquely on the BMF, and therefore would have been missed without this resource. (Project staff cleaned the IRS list by removing misclassified organizations and those that local informants reported were no longer active.) Perhaps the major strength of the IRS data is their inclusiveness with regard to budget. BMF files were especially useful (compared to National Standard and service-organization data) for those fields with many small organizations, and throughout the performing arts. (Because many of the exhibition spaces in the three cities were parts of organizations that were not museums, IRS picked up fewer organizations in this category.)

National Standard for Arts Information. The National Standard, created by the National Assembly of State Arts Agencies (NASAA) with support from the NEA and administered by NASAA, is a set of terms and conventions used by state arts agencies, regional arts organizations, the NEA, and some local arts agencies to organize and present in-

formation about grant activities. The National Standard provides four "information systems": the Constituent List System, the Mailing List System, the Grants Management System, and the Arts Resource Directory System.

State arts agencies report data on their grantmaking annually to NASAA and also use the Standard as a format for grants reporting to the NEA, which mandates inclusion of several Standard fields (the rest being optional and less frequently used). NASAA collates these data into a uniform data set that describes the characteristics and scope of publicly funded arts activities taking place across the nation, publishing every three years *The Profile*, a descriptive report on state agency grant-making based on Standard data.

In considering the utility of the National Standard data base as a basis for a UDB, it is important to recognize that it was created to describe grants, not organizations. Nonetheless, in the report of each grant are several NEA-mandated fields describing the recipient agency, including information on the applicant's name, race, state, zip code, status, institution, discipline and congressional district. NASAA readily converts these fields into organization names that can be classified by any of the other fields.

The National Standard has several advantages, not the least of which is 100 percent compliance for federally mandated information. The scope of the data are broad, covering approximately 90 percent of all state arts agency grantmaking. Because any organization that applies for a state arts agency grant becomes part of the data base, the Standard, unlike the BMF, includes information on organizations that are part of larger entities like universities and non-arts organizations with significant arts programs. Moreover, it does not include defunct arts organizations in its records.

Data quality appears high: Each state and regional arts council employs a grants officer whose chief function is the collection and organization of grantmaking and constituent data. These data are checked and cleaned by NASAA staff, who provide training and technical assistance to respondents. According to National Standard staff, data are reliable and comparable across states and disciplines from 1988 to the present.

The National Standard employs the most sophisticated available system for classifying grant recipients and activities, permitting flexible classification of grants and organizations along a number of dimensions. And it is run by a network of organizations (NASAA and the State Art Agencies, or SAAs) that has accumulated substantial expertise in the collection and use of arts data and that has an established working relationship with

the NEA.

At the same time, the National Standard is not perfectly equipped to serve as the basis for the UDB, for it was designed as a data base on grants rather than on organizations. The major weakness, related to this, is the fact that organizations that do not apply for grants from state arts agencies are not included, as a result of which its coverage in any given year is much less complete (though also less biased towards organizations that do only arts programming) than that of the IRS 990s. Moreover, in so far as the types of organizations applying to state arts agencies varies from state to state, a list generated from National Standard data will have regional or state-level bias. (This may be particularly problematic in disciplines in which only some states offer grants, or where criteria of eligibility differ).

The National Standard included just over one quarter of the organizations identified in the Three-City Study -- more than the service organization lists, but just over one half the number that the BMF 990 data base yielded. In fact, of 369 organizations that were identified through the National Standard or the BMF, more than half were uniquely found in the latter, compared to less than 10 percent in the Standard. What this means is that if one currently had to choose just one data set as the basis for creating an inclusive list of arts organizations, the BMF would be far superior to the Standard, especially if resources were available to cleanse the former of defunct or misclassified organizations.

Like the BMF, the inclusiveness of the National Standard varied from place to place, including more than one third of the Philadelphia organizations and less than 20 percent of those in Dallas/Fort Worth. The Standard appears to be considerably more biased towards large organizations than is the IRS data, with coverage monotonically rising with budget category (from 11 percent of organizations with revenues under $25,000 to 62 percent of those with budgets greater than $1 million).

Local and statewide data sources. The Three-City Study also pooled lists from local and statewide grantmakers, service organizations, and arts agencies, as well as lists compiled from review of the local press. Local listings were more effective in identifying organizations that any of the national sources. (Press notices sampled monthly referred to almost 80 percent of the arts organizations, while locally compiled listings covered nearly two of every three.) Indeed, more than one in four organizations in our three cities would not have been identified at all had project staff relied only on national and statewide lists.

By contrast, using local and statewide lists without consulting service organizations, the National Standard, or IRS would have missed only one in eight of the arts organizations we found. Clearly, then, local community studies can aspire to much higher levels of inclusivity, with less response bias, than studies relying solely on national sources.

Local sources varied in inclusiveness from place to place.. Local press coverage and, especially, locally compiled listings were less biased towards larger organizations than data from service organizations or the National Standard, although some size bias was noted.

Critical dilemmas. Once they entered the field with instructions to identify every "professional" arts organization, projects staff encountered a variety of dilemmas with which any effort to collect data on an inclusive sample of arts organizations must come to terms.

--- It is difficult to find arts producers that operate informally without benefit of incorporation as 501(c)(3) nonprofits. In dance, for example, choreographers may assemble performing companies around themselves with or without formal incorporation.

-- It is difficult to identify organizations within organizations, or to know what to do with them once they are identified. An arts center may have a dance program, theatre program, and music program, with shared support staff but separate program directors. Is it one "arts organization," or three?

-- It is sometimes difficult to tell if an arts organization is "active" or not, at least within the likely budgetary constraints of a national research effort.

-- Operating budget levels are particularly difficult to determine for organizations that are part of larger organizations. In some cases, financial information is available only for the parent organizations, in other cases in-kind transfers from parent to "child" are impossible to establish.

-- Tapping into arts activities associated with particular ethnic or racial communities poses special problems, as such activities may be sponsored by "non-arts" community organizations that do little media advertising. Such activities may also be particularly likely to be sponsored by presenting organizations on an occasional basis.

-- The line between nonprofit and commercial activity poses certain problems. Although we excluded commercial galleries, many members of the public use them in the same way that they use public exhibitions. At first, we excluded corporate galleries from

our listings because they were "for-profit," but we eventually included those that are open to the public. We found much more classical-music than jazz activity, but that was partly because we failed to include nightclubs and other commercial jazz presenters in our lists. Clearly, a more thorough inventory of arts activity would have to transcend the often (but not always) artificial distinction between for-profit and nonprofit cultural institutions.

-- We included only "professional" arts organizations in our populations, but it was difficult to define "professional." We settled for including organizations that employed at least one full-time equivalent artist or curator; but this definition may lead to overestimating activity in art forms prosperous enough to pay wages, and underestimating in forms in which skilled artists of serious intent work for at least part of their career on a voluntary basis, or "pay-when-able" basis.

Existing Data: Usage and Needs Assessment

The project team undertook an assessment of needs for data in the arts fields by interviewing sixty-four data users, including staff of public arts agencies and private foundations, staff of arts service organizations, university-based researchers, and arts consultants. There are both differences and similarities in the kinds of data different types of informants use (or would like to have available) and the ways that they use it. The commonalities provide the basis for collaboration around common systems, whereas the diversity sets limits on the capacity of any single system to satisfy user needs, and highlights the importance of flexibility in whatever system is created.

Data usage. The men and women with whom we spoke use data in many different ways, which can be categorized along two separate dimensions. The first refers to the frame of mind in which data are interpreted, and ranges from disinterested inquiry to frank advocacy for a particular point of view. Within this range we find the grantmaker seeking to identify the organizations that best meet his agency's guidelines; or the foundation program officer who has identified a clear mission, but uses information to develop the best strategy for pursuing it; the academic researcher testing well-conceived hypotheses; or the service-organization executive consulting survey results to identify the kinds of organizations that can most benefit from a workshop she is developing.

The second dimension refers to scope of the problem that data are asked to address. The poles of this dimension are defined, on the one hand, by the grantmaker using an

interim report to see if a performing company has whittled down its deficit as it had said it would when it applied for a grant; and, on the other, by the public arts agency or national foundation seeking to develop a program to boost attendance nationally in all of the arts. Again, most users fall in between, using information on organizations in a particular arts discipline or geographic community to develop programs that will assist constituent organizations or enhance the quality of a metropolitan area's cultural life.

Most people, of course, use data for different purposes at different times. One foundation staff member alone listed the following ways in which he used information on arts organizations: "as support material" in presentations to trustees of new program initiatives; "to make decisions about grants," "to shape program guidelines," to compare the giving patterns of his foundation to those of its peers, to decide "whether to get in to a field or get out of a field," and simply to monitor a changing environment -- "to try to stay abreast of what is going on." Others in the foundation sector use arts-organization data for "evaluative evidence of accomplishment in relation to the goals that they themselves have set for the grant that they are seeking." Others mentioned such things as "to try to make some sense of why some organizations are much more stable than others, and what the relationship is between them." Although much day-to-day use of data by foundation staff is oriented to immediate local problems and decisions, informants also noted the importance of aggregate data in permitting them to place their grantees' problems in national context, and distinguish between ailing organizations and healthy organizations trying to function under adverse conditions.

If grantmakers span the range between local and general use with an emphasis on the former, academic researchers tend to use data to attain an overview of some discipline or larger field. Some academic researchers are interested in policy or management issues, for example, the organizational culture of symphony orchestras, or the economic survival of dance companies. Others focus on questions that emerge from disciplinary paradigms -- e.g., do nonprofit organizations deviate from economic "rationality" or do patterns of "resource dependence" shape arts organizations' programming? Although some employ data on arts organizations simply because it is conveniently at hand, most university-based arts researchers combine genuine interest in the health of the arts with a concern for broader intellectual puzzles that motivate other scholars in their field. Most present their research both in a technical version for a journal in their discipline, and in a more

accessible version for the arts public.

Although many consultants have academic training, their purposes are usually linked to concrete short-term objectives, such as advising a client on a particular decision or preparing an intervention in a public policy debate. One researcher, for example, worked with an organization to help them "articulate the values that characterize alternative grassroots cultural work ... and to improve the public policy climate for this kind of work." Another reported using arts data in work as an instructor in arts management courses and in-service executive training for arts administrators.

Like their foundation counterparts, staff members of public arts agencies use arts data for program development and planning and to maintain an overview of the fields their agencies support. Financial data are particularly important for these purposes, though many are interested in information about audiences as well. Many policy makers also use data on arts organizations to identify opportunities to influence their fields. Other public-sector grantmakers are particularly concerned with understanding the impact of their own grantmaking. Unlike many private grantmakers, whose programs are often highly focussed, arts agencies tend to give small grants to many organizations for many purposes. Consequently their application and grants files may contain a wide sample of arts organizations in the state or metropolitan region in which they are active. Many arts agencies use such information to identify "areas of specific need" as a basis for program development.

Almost all grantmakers, public and private, report an interest in monitoring trends in public and private support. And many of them are also interested in trends in public participation in the arts -- both aggregate and by subgroup -- to explore the relationship between grantmaking, availability, and demand for cultural participation. To achieve these ends, our informants report using, or wishing that they had available, many different kinds of data.

The data people need. Existing data systems provide much data that people use in their day-to-day work, but only a portion of the data people say they need. In particular, much information that respondents described as important falls between the cracks of the various domains for which service organizations and government initiatives take responsibility.

Three criticisms of current practices emerged repeatedly:

- ➢➢➢ Data currently collected leave out too much, focussing predominantly upon the financial condition of established cultural institutions to the relative exclusion of almost everything else. As a consequence, we know little about many things that are critical to our nation's artistic life.
- ➢➢➢ The practice of reporting data in gross aggregates obscures too much detail, especially geographic detail, that would be useful in interpreting trends. Given the expense of collecting data, reporting is too often superficial, and information is too rarely available for secondary analysis.
- ➢➢➢ Data often take too long to reach their users. Although some data are collected and reported annually, results of many studies take years to appear, and may be outdated by the time they reach the public.

A number of respondents mentioned how useful it would be to have an up-do-date, clean listing of all nonprofit arts organizations. One viewed the absence of fundamental information "about the arts infrastructure" as typical of broader neglect of all kinds of infrastructure in the contemporary United States.

Many respondents spoke of the need for more information about arts organizations that focus especially upon Latino, Native American, Asian-American or African-American communities and cultures. As one of our respondents put it, "This information is very important in a discussion about improving support for minority arts organizations and, I think it's going to become really critical because a lot of effort is going to be placed, if it isn't already, on increasing individual donors' support for arts organizations." Others noted the paucity of information on community-focussed arts organizations more generally (except for data collected by the National Assembly of Local Arts Agencies), and the absence of comprehensive data on arts and cultural programs sponsored by community-based organizations of other kinds.

A number of respondents spoke of the need for more well-conceived case studies of arts organizations and their relations with their environments. Others called for well-focussed studies of small sets of comparable institutions that combine the advantages of case-study and quantitative research. Several respondents noted lack of data on the role of volunteers in arts organizations.

A major priority for many or our informants was financial data that are comparable across organizations, across disciplines, and across time. While grantmakers and service-

organization staff expressed particular (although by no means exclusive) interest in financial data, academics more frequently called for additional data on arts organizations' activities and productions, noting the importance of learning what organizations do as well as what they spend or earn.

Simply maintaining comprehensive lists of active arts organizations from year to year, perhaps with a few data elements like size and mission, would be invaluable, some respondents told us. Such lists would make it possible to study organizational stability and to compile essential demographic information on the "vital rates" (death rates for existing organizations, and birth rates of new ones) that have a profound impact on the overall topography of the arts.

Many respondents expressed an interest in more information on participation in the arts and many urged that data on audiences be integrated more closely with data on organizations. This would make it possible to learn about the relationship between an organization's characteristics, programming, and the composition of its audiences, in order to relate audience attitudes and reactions to the services they are receiving.

Respondents of all kinds expressed frustration with the quality of available data. Often their objections emphasized such technical deficiencies as comparability, reliability, and completeness. But many expressed a broader dissatisfaction, less easy to articulate, that the data elements available to them failed to capture what is crucial about the fields with which they worked. "We do not know the landscape on the most fundamental level," reported one foundation person. "We don't have the most basic material." He felt that for a broader view one needed to go beyond statistics to use the tools of "the interpretive social sciences, which don't just give you facts and figures, they try to find the meaning."

Others called for routine collection of data that speak to the motives and missions of arts organizations and the people who work in them, such as data on "people's expressions of their interests and convictions" that could inform the development of programs of action. Some called for historical studies employing narrative as well as statistical techniques. In addition to more conventional time-trend studies that linked financial data on arts organizations over a decade or more, others called for qualitative profiles of the development of art forms based on information from a wide range of sources.

Many people wanted more high-quality case studies that would reveal information

about the organizational dynamics behind exceptional performance or failure. One experienced consultant called attention to the special value of case studies in communicating research lessons to people in the arts fields. "I have a feeling that [quantitative] data, the kind of data that I love, is not something that is widely understood in the non-profit sector," she said. She finds that her clients respond well to narratives that make the same points she might otherwise make with numbers.

One theme in many conversations was the need to look beyond conventionally structured "arts organizations" to find all of the organizational venues in which the arts are being practiced. A second, related theme was the need to focus on relationships among arts organizations and other community institutions -- what one informant referred to as the "cultural ecology" of the arts and communities. Several informants spoke of the importance of integrating statistical information in a way that facilitates a richer understanding of the interaction between arts systems and local environments, for example, collecting data on arts organizations' cooperative relationships with their communities' public schools and other local organizations.

Criticisms of currently available sources. Respondents had many particular criticisms of existing sources of data. Many people complained of the lack of comparability among different data sources. As one respondent put it, "we are getting apples, oranges, grapes, bananas..." Most of the researchers we spoke with would agree with the informant who complained, "You have to make yourself an expert in each data set and then get all of the qualifications on it. So, in effect you end up writing twenty pages of qualifications and explanations of the data set, and maybe you can write ten pages of what you can come out with from it."

Many researchers with whom we spoke are skeptical of the reliability of much data on arts organizations, especially financial information. Changes in financial reporting systems and turnover of staff responsible for information systems and of outside accountants are cited as particular problems.

Others complained of incomplete coverage and response bias. Response rates in surveys of arts organizations are often low, at times below the levels necessary for minimal confidence in generalizations emerging from research. Moreover, few reports describe systematic tests for response bias (i.e., comparisons of respondents to nonrespondents on variables that are publicly available such as location, discipline, and in many cases mission

or size). Where response rates are acceptably high, as in some of the service organizations' surveys of their members, many researchers complain that this is true only for a limited range of organizations (often the larger, more established institutions or only organizations in certain disciplines).

Grantmakers, policy makers and researchers who are concerned about organizations closely associated with particular communities of color find this problem particularly vexing. Although some such organizations are well established, many believe that such organizations tend to be small, unconventional in form, and less likely to affiliate with disciplinary service organizations than other organizations. Moreover, some respondents who work closely with minority arts organizations believe that managers of such organizations are less likely to consider it worth their while to respond to surveys. Many respondents agree that such organizations, and other small arts organizations, especially in rural or inner-city areas, are not included in service-organization data sources, either because they are too small to join, their programs do not fall squarely into any disciplinary pigeonhole, or they are legally part of a larger nonprofit that is not identified as an "arts organization."

A few respondents believed that much research on arts organizations is culturally biased in the very questions it includes, reflecting grantmakers' desires to "professionalize administration, or to improve the living standards of artists" or other goals that "many alternative organizations are not in a position to achieve." Others argue that organizations that conduct surveys don't know how to reach organizations in Latino and other minority communities and therefore underrepresent them.

Still other respondents identified two problems in the manner in which the results of arts research reach the public. The first is the lapse of time between data collection and publication, so that much information is perceived as out of date by the time it is released. The second is the ways in which data are communicated, either in reports too technical for most practitioners to understand, or in simple tabulations too general for researchers to find informative. Ironically, researchers grumble that their work is ignored while research consumers grouse that research results are unavailable.

Several researchers complained that secrecy and suspicion frequently hindered their research. One consultant complained of difficulty in getting other researchers to share data, and a number of researchers complained of service organizations that are "very secretive"

and "play their cards awfully close to the vest." Others complained about the failure of the NEA to use the National Standard in its own grants reporting and to code or otherwise utilize systematically the information in its program files.

Attitudes towards a unified data base. Many, but not all, of our respondents favored the development of a unified data base as a means of providing essential comparative information and breaking down perceived parochialism within the arts disciplines. Many believed that unified data would provide a necessary tool to advocates to use in efforts to persuade legislators that the arts need public support.

Other respondents questioned the purpose or feasibility of a unified data collection, expressing skepticism about its cost and potential contribution. Some questioned whether a data base is a sound investment in the current economic and political climate. Several respondents voiced concern about whether such a system would cover adequately the kinds of organizations, such as small, community-based, minority, mixed-discipline, artistically cutting-edge, or combinations of these types that they feel are too often left out of the samples from which data are already collected.

Many respondents, however, felt that developing such a system could help to place the arts in a broader cultural framework, demonstrating the richness and complexity of America's multifaceted culture. The importance of including organizations outside the established disciplines and organizational structures was a constant theme in these interviews. One researcher mentioned the importance of gathering data on the financial structure and growth trajectories of community-based organizations. Several researchers mentioned the importance of capturing organizations active in fields that lack strong service organizations and well-defined institutional identities, like the folk arts and gospel music. Others argued that any data collection system must focus upon artistic and cultural activity, whether or not that activity is conducted in and through formal organizations, if it is to accurately portray the place of the arts in American life.

Data as a Public Good

The demand for more and better data on arts organizations is substantial and clearly articulated. Why then have such data been so hard to come by for so long? Why has the arts field produced so much less information than its members demand?

We suggest that the problem is a special case of a more general dilemma common

to many fields: the provision of satisfactory levels of public or *collective* goods. Collective goods, of which lighthouses, clean air, good highways, and national defense are frequently cited examples, have two characteristics. The first is "inseparability in production" -- if large percentages of people don't all make contributions to the effort (for example, by completing a questionnaire), the product (for example, a high-quality, representative data base) will not be produced. The second is "nonexcludability in consumption" -- once the good exists, it is impossible, or at least impractical, to keep "free riders" who didn't help out in to its creation from benefitting from it. (Even people who don't mail back their questionnaires can use publicly available data bases, and if public arts agencies or private grantmakers make better decisions based on the information, everyone benefits from it.)

People are often tempted not to contribute to the production of public goods like data bases. They recognize that their own small contribution will not make or break the effort. If they doubt that others will send back their questionnaires, they may reason that the attempt will fail no matter what they do. And if they think others will cooperate, then they may simply "free ride" on the work of others.

To overcome the problem of collective action, fields must rely on some combination of coercion, persuasion, and selective inducements. Arts data systems now rely on all three: coercion, in the case of the IRS 990s; selective inducements, in the case of the National Standard and a few others systems that make eligibility for grants contingent upon provision of information; and persuasion in most other cases.

Although some argue that art people simply aren't research oriented or don't "understand data," we think that the lack of good data reflects three factors that influence the ability of any field to produce organizational information as a collective good. One is the capacity of organizations in the field to organize themselves, which is a function of industry structure. It's much harder to collect data in fields like the arts, which consists of many, many small organizations, than in fields that comprise just a few large ones.

A second is the demand for such data from powerful organizations outside the industry, which is a function of the structure of the environment. Because the arts have not experienced government regulation and because arts organizations are not held responsible for critical social ills (like spiraling health costs or poorly educated young people), data collection has not been imposed from without.

The third factor is the degree to which organizations in the field can be enumerated

(and therefore approached by researchers), which is a function of the degree to which the field is institutionalized. It is much easier to find such institutions as art museums and opera companies than to locate very small arts organizations or arts organizations in new or unconventional fields. Any system to collect better arts data, then, has to address these collective-action problems: identifying small and unconventional arts organizations, and gaining cooperation from many organizations with only carrots and no sticks to prod them.

Recommendations

Ultimately, arts managers will contribute to creating a national data base because they are convinced that the effort is important and that the absence of adequate data imposes unacceptable costs upon the arts. This case, we suggest, is not hard to make. Without adequate data on arts organizations, people who care about the arts are left unable to answer many of the questions that fair-minded skeptics might pose in response to appeals for more public or private funding. To what extent are theatres growing or declining in number and level of activity? (We can only guess on the basis of incomplete data.) Have new dance companies been created at a faster rate than they have disbanded in recent years? (We don't know.) How have trends in corporate (or government, or private) donations differed from discipline to discipline? (We have partial data from some disciplines but not others.) Between large and small arts organizations? (We know virtually nothing about small organizations in most fields.) How have the kinds of programs offered by nonprofit arts organizations changed? (We know even less about what arts organizations do than about their finances.) How many community organizations provide significant programs of training in visual arts or performance disciplines? (We know almost nothing about arts organizations outside the major disciplines, except that there are a lot of them.)

And because answers to such descriptive questions are necessary to answer more complicated questions about cause and effect, both public and private policy makers have little factual basis for anticipating the effects of their grants, or planning ways to leverage their resources. What is the relationship between the number and activity of arts organizations and the number of artists and the rates of participation in the arts of different segments of the community? What strategic approaches do arts organizations that succeeded in reaching financial stability have in common? What is the long-term

relationship between neighborhoods arts resources and professional activity? Existing information resources provide little guidance.

Finally, many of our informants argued passionately that the absence of a system for collecting, analyzing, and sharing data on arts organizations makes it difficult, if not impossible, for the field to understand how it is changing. This is a time of great institutional change in the arts, in the ways they are funded, in the types of organizations that present artistic programming, in the way in which different segments of the public are served. Yet such data systems, as we have seen, are designed to track large organizations in the conventional disciplines, rendering invisible new types of arts organizations, organizations that are embedded more deeply in communities of color or rural communities than in national professional networks, and artistic work by organizations outside the conventional disciplines. Like the drunk who sought his lost wallet under the street lamp because "that's where the light is best," our approach to information makes it difficult, if not impossible, to apprehend and respond to the significant changes that are reconfiguring the arts today.

For all these reasons, it seems evident that the field demands and needs better information on the finances and activities of arts organizations. But what form should a system of data collection and dissemination take?

Guiding Values. There are many possible answers to this question. To choose among them, we require a firm sense of the criteria or values that such a system should satisfy. We regard three such values as extremely important.

The first criterion is *feasibility*. No data set can please every potential user. In a world of limited resources, the trick will be to collect an adequate amount of reliable information about the widest possible range of organizations. Feasibility entails afford-ability: A system must be within the means of the agencies that will pay for it. It entails minimizing respondent burden, including keeping data-collection brief, using already existing data whenever possible, defining terms clearly, avoiding requests that respondents lack the capacity to honor, and educating respondents to provide reliable information. Finally, a feasible data collection system must maintain high rates of response and cooper-ation, so that the data it yields are meaningful and comparable.

The second criterion in *flexibility*. Given the variety of ways in which data are used, a system must be open-ended and equipped to serve many needs. Rather than sink all

resources into a Best Possible Complete Data Set, researchers must focus upon creating a viable platform from which many smaller research efforts can be launched. We believe that the best way to do this is to maintain a very small number of pieces of information on a very inclusive population of arts organizations. Such a data base can serve two purposes: a source of reliable information on major trends in the arts field (or in segments of it); and a resource to enable researchers to draw generalizable samples (something prohibitively expensive today) for focussed studies (for example, organizations in a particular discipline or metropolitan area). Finally, if a system is to be flexible it must be accessible to all potential end users.

The third criterion is *cost-efficiency*. When many arts organizations are struggling to survive, it is difficult to justify large expenditures on data collection unless we can ensure that the data will be used. One cannot accomplish this by focussing on the numerator (the "cost" side) of the cost/benefit ratio alone, especially if this means compromising on data quality. For unless data are fully comparable and unimpeachably reliable, the data will be good for very little. A better way to ensure cost-efficiency is to focus on the denominator -- increasing the "benefit" part of the cost/benefit ratio, so that the payoffs of data collection are high. It is in this sense that arts organization is a *collective good*: a kind of infrastructure that can benefit a large number of users. Concretely this means designing a system to address clear-cut objectives; creating a resource that lowers the price to everyone of conducting research at their own expense, thus leveraging additional dollars; and, third, ensuring that the system is accessible to all possible users.

Accessibility is particularly critical. Data that are accessible, reliable, and meaningful are used again and again, and with every use the "benefit" side of the cost-benefit equation rises. An accessible system must offer many points of entry for users with different needs. These would include clearly written summaries for the nontechnical user; a user-friendly electronic site at which arts managers or policy makers can answer particular questions quickly by performing simple on-line analyses; and machine-readable, downloadable data for statistically sophisticated data analysts.

*A Tripartite Approach to a Coordinated System of Arts Organization Data***.** We propose to build on existing resources to create a feasible, flexible, and cost-efficient system to integrate and facilitate the efforts of the public arts-support system, private philanthropists, private arts service organizations, and university-based and other research

specialists. The first component -- *a unified data base on the universe of arts organizations* -- represents the major new area for public and private investment and a platform from which the two other components, funded through private sources or local private/public partnerships, can be launched. The second component consists of *studies of organizations in particular disciplines*, in which service organizations have traditionally taken and will continue to take the largest role (but with the advantage of being able to sample non-members as well as members from the unified population data base). The third component consists of *local population studies* that will address the concerns of particular local sponsors and also serve as a kind of research-and-development base for addressing certain important methodological and substantive issues in a cost-efficient manner.

The core of the plan is the unified data base, organized around the principles of high data quality, the broadest possible coverage of the population of arts-producing, sponsoring, and exhibiting organizations, and the compilation of a small number of data elements of great importance. The NEA would necessarily play a central role in developing and ensuring the stability and quality of this data base, in partnership with other parties. Key data elements might include organization name, location (address, state, region, congressional district), organizational form (e.g., nonprofit organization, public agency, subsidiary of another organization), discipline, revenues, expenditures, deficit or surplus, staff size, types of activity undertaken, scope of activity, and number of persons reached. What is important is that the elements be of broad interest and capable of registering significant changes; be available from existing sources or be data that organizations can supply accurately and without undue burden; reflect the substantive mission as well as the financial status of the arts organizations; provide a basis for analysis of important trends; and provide a basis for stratifying the population of arts organizations along lines of significant interest to researchers who wish to use the data base as a sample frame for further studies.

Initially, the population covered by such a data base might be comprised of arts and cultural organizations in the IRS 990 data base, perhaps supplemented by organizations in the National Standard and on the membership lists of arts service organizations. In the long run, the data set would be rendered more inclusive as local population studies revealed effective ways of reaching organizations that other sources exclude, and perhaps through cooperation with local arts agencies. Where possible, data on organizations from the

National Standard and IRS 990s would be entered into the data base; other data would be collected directly from the organizations themselves. (In the longer run, applicants for state arts agency or NEA grants might enter the data directly as they apply for grants.)

Such a data base would provide reliable trend data on the size of the arts sector and subsectors and rates of death and incorporation by arts sector and subsector; change over time in revenues, expenditures, revenues, activities, and client base in the field as a whole, and comparable by discipline and state or region. Data could easily be archived through the World Wide Web in a form that would enable users to easily answer simple questions, as well as to download the data base for more complex analyses. The data base would also represent a versatile platform for additional work, enabling researchers to identify, stratify, and sample populations of arts organizations of many kinds.

Discipline studies are the second component of this tripartite plan. The major service organizations have traditionally taken a leading role in collecting and disseminating data on the disciplines. Under the system we envision, service organizations would continue to play the major role. The existence of the unified data base would enhance that role in several ways.

First, the unified data base would enable service organizations to supplement information from members with reliable samples of nonmember organizations; moreover, the ability to sample will make it possible for such research programs to track change reliably without investing in expensive panel studies. Second, by lowering the cost to service organizations of identifying and sampling organizations in their fields, the existence of a unified data base would make it possible for some service organizations that do not now carry out systematic research to begin to do so, and for private and public policy makers concerned about the welfare of emerging fields without active service organizations to support data collection projects. Third, the unified data base would permit comparison across disciplines (and among disciplinary subsectors varying in size, structure, or predominant type of activity) on the data elements included within it, providing data comparability without imposing on service organizations to change approaches to data collection that have served their needs.

The third component of the tripartite system we envision consists of *local community studies*. We foresee a central role for coalitions of private grantmakers, local arts agencies, and arts service organizations in mounting studies that respond to the particular

needs of their communities. The existence of a unified data base can lower the cost and increase the quality of such surveys by providing a sample frame of local organizations, basic information about which could be downloaded directly from the UDB, to be supplemented by additional information collected locally.

Drawing on a view of *the arts as a system of interrelated parts*, such studies can gather information on relationships among local arts organizations and, combined with surveys of local residents, make it possible to integrate information about the interdependencies among artists, organizations, and audiences. Moreover, community research coalitions can serve as R&D centers to develop research approaches to topics too complex, or too locally variable, to be addressed in national studies, including issues like audience composition, the nature of the artistic output and "quality"; performance assessment; arts activities that are not undertaken by arts organizations; and interdependence among arts and other subsectors.

* * *

We do not underestimate the challenges to implementing a system of this kind. Resources must be found to maintain a unified data base. Coalitions must be forged to ensure that arts organizations will choose to participate in such a system. Additional information on the capacity of the National Standard and the revamped IRS 990 data base to meet the system's needs must be gathered and costs estimated. But we are optimistic that this tripartite approach, based as it is on both cooperation and a division of labor between public and private, and national, state, and local, initiative, is one that can provide essential data in the near term, while serving as a sound platform for more ambitious efforts by multiple users.

Chapter 1: Introduction

The arts field has been eternally data-poor. The researcher interested in hospital or universities can benefit from decades of systematically collected data useful for assessing change and performance. Advocates for health care reform or federal support of university-based scientific research have reams of statistics upon which to draw to support their arguments. By contrast, researchers and policy makers in the cultural field must piece together information from a dozen sources to make even crude estimates of the dimensions of the nonprofit cultural sector -- its aggregate revenues and expenditures, the number of people it employs, and the size of the audience it serves. Reliable information on how these have changed over time is even scarcer. And, ironically, information about what matters most to people who value the arts -- the things that arts organizations actually *do*, their programmatic contributions to Americans' continuing education and quality of life -- is, with few exceptions, unavailable. The existence of so much activity, supported with so many public and philanthropic dollars, with so little capacity for tracking, assessment, or even identification of the organizational players, is to some extent an anomaly in American public life.

The dearth of information to guide program development, policy analysis, and advocacy efforts in the arts has hardly escaped the attention of grantmakers and public agencies, of course. The National Endowment for the Arts, Research Division has made systematic efforts for two decades to improve the systems by which data on arts organizations are gathered and reported, with some positive results. Foundations have contributed to these efforts, and arts service organizations have created and maintained their own data-collection systems. This report is one of a long line that have documented and deplored the absence of appropriate information to guide action in the fields that constitute the arts.

Indeed, dissatisfaction with the quality of information on arts organizations predates not just the NEA and its research efforts, but the New Deal. The Commission on Social Change, appointed by President Hoover in a synoptic attempt to document and summarize the implications of social research for public policy making, included a chapter on the arts, prepared by Frederick Keppel. The committee's chair, William Ogburn, wrote to the Commission's presidential liaison that Keppel "has an exceedingly difficult subject to deal with, one where statistical evidence is extremely rare. I think therefore that not as

much can be expected from ... this subject as for others" (Tobin, 1995:549). Keppel acknowledged this when he explained in the chapter's preface that "it has been necessary...to depart to a considerable degree from the general plan of the studies, both in the selection of material and in its presentation," giving more weight to "illustrative fact and incident" and "to individual and particularly to group judgment" (Keppel 1933: 959). As President of the Carnegie Corporation, Keppel campaigned for years for better information on the arts, publishing a report critical of the absence of information as early as 1924 (Bach 1924).

Interest in arts statistics abated at mid-century, but was rekindled again as the campaign to create a federal arts agency took shape. The authors of *The Performing Arts: Problems and Prospects,* the influential report of a private commission chaired by John D. Rockefeller 3rd and staffed by Nancy Hanks, noted on the very first page of their preface: "[W]e encountered considerable difficulty in obtaining adequate information," and concluded that "the lack of sufficient data and a central source of information" were "among the key problems of the performing arts in America today" (1965: ix). More than a decade later, Dick Netzer began a feasibility study for an economic data program on arts organizations with the observation that "Virtually no one concerned with the arts in the United States has ever been satisfied with the information available on the economics and financial characteristics of the arts...[T]he fact is that the economic data on the arts are far less adequate than the data on other aspects of American social and economic life" (1977:1). A few years later, the authors of a major NEA-supported study of the growth of the nonprofit arts and cultural sectors remarked upon "the lack of consistent data which plagued this study" (Schwarz and Peters, 1983).

The situation is better today in many respects -- for example in the availability of the NEA's *Sourcebook of Arts Statistics*, a compendium of literally hundreds of sources of statistical information about the arts, of which few would have been available before 1970. For researchers who need reliable, comparable, and computer-manipulable trend data on arts organizations, however, change has been inadequate. In 1966, William Baumol and William Bowen reported that assembling the data they needed for their classic study of the economics of the performing arts, *Performing Arts: The Economic Dilemma* "turned out to be a task of enormous proportions. Seldom were the pertinent data readily available, and investigation showed that such figures as did exist were often unreliable. We had no

choice, therefore, but to seek many of the requisite materials from primary materials wherever these could be found" (Baumol and Bowen 1968 [1966]:4-5). Almost thirty years later, in a systematic study of the nonprofit sector, Bowen and his colleagues (1994) wrote of the arts fields: "... it is virtually impossible to find consistent time-series data that extend farther back than the late 1970s or the early 1980s. In the end, we concluded that the only alternative was to assemble the data ourselves."

Why Have Reliable Data on Arts Organizations Been so Hard to Come By?

We suspect that the persistent inadequacy of data on arts organizations for purposes of planning, policy making, and advocacy can best be understood in terms of a more general analytic perspective on the factors that influence the quality and abundance of data in any field.

Organizational data as a public good. As we shall see in chapter 3, there is much demand for high-quality data on arts organizations. Although specific ideas and uses varied substantially, the men and women we interviewed almost all believed that having high quality data on the finances and behavior of arts organizations would have many positive consequences for management, fund-raising and advocacy, and planning and policy making. And most of them believed that currently available data were not adequate for those purposes. Why then, has the arts field produced less information than its members demand?

It is possible, of course, that we simply talked with the wrong people, or that the people we interviewed do not value the information enough to pay for it. But we would suggest that a different mechanism is operating -- that data on arts organizations is a kind of public good (Olson 1965) from the perspective of the arts field that is difficult to produce at satisfactory levels. Public goods are characterized by inseparability in production and nonexcludability in consumption. Inseparability in production means that most people have to cooperate if enough of the good is to be produced. (This can be because the good is very costly relative to what any one person can chip in, like a national park; or because the good itself, like democracy, is sustained through collective participation.) Nonexcludability in consumption occurs when benefits of a good accrue to everyone in a community, and cannot be denied to people who refuse to pay their share. (Military defense is a nonexcludable good in modern states because all citizens benefit. So, in sim-

ilar ways, are lighthouses, and clean air.) Other things being equal, markets tend to produce fewer public goods than people want because of what economists call the "free rider" problem. If everyone else contributes to a common fund to improve water quality in my county, then an economist would argue that it is in my narrowly conceived self-interest to hold back my own contribution, as I will benefit from the cleaner environment whether I contribute or not. If I am the only selfish one, little will be lost, for my contribution in itself would have paid for only a tiny share of the whole. But the more people behave selfishly, the less willing and able the rest will be to sustain the burden, until finally the battle is lost. That, say economists, is why we need government: to enable us to coerce ourselves (through taxation) to invest as much as we would like in public goods.

What on earth does this have to do with data on arts organizations? We suspect that these data have more in common with highways, clean air, and democratic institutions than meets the eye. Clearly, production is inseparable, in that data are useful only if a very high proportion of the units sampled respond. As we shall see, one of the great problems with the data that exist is that they tend not to be comprehensive: often response rates are low, which means that survey results are poor bases for generalization to the field as a whole; and the participation of specific organizations varies from year to year, which means that data collected at different times cannot be compared. (Various means are used to solve one or the other problem, but often successful efforts to enhance comparability reduce generalizability, and vice versa.) Consequently, much of the value of the survey is lost.

Like neighbors solicited for a community clean-water campaign or citizens deciding whether to vote in a presidential election, potential respondents may recognize that whether each completes the survey will have little effect on the results of the study. Indeed, unless enough other people respond to render the results of the survey generalizable, the value of their own contribution will be minimal. Other things equal, enough people will refrain from participation to make the exercise unsuccessful; as a result, even those who responded this year may be less willing to send back the survey the next time. (Of course, not all nonrespondents are "free riding"; some may not value information and others may lack the expertise to respond. But the result is the same.)

Less obviously, high quality organizational data are, in effect, nonexcludable. It is possible, of course, to collect data and not release the information to the larger community.

In fact, many service organizations do restrict the use of their data to their members and staff. But even service organizations ordinarily make the data they collect available to all of their members. (They could in theory keep it away from nonrespondents, but we know of none who do). And data collected by many public agencies (like the Internal Revenue Services's "990" forms, which all nonprofits with $25,000 or more in gross revenues must file) and many academic research projects eventually find their way into the public domain, where access is unrestricted. As we shall argue in chapter 5, the more tightly data are held, the less easily one can justify investing in their collection. Given the high cost of collecting data that are reliable, generalizable, and comparable over time, cost-efficiency will be hard to achieve without the payoff derived from the multiplier effects of broad access. In any case, if data on arts organizations are used to enhance the quality of foundation grant-making, or the wisdom of federal and state cultural policies, or the munificence of legislatures, there are few ways to exclude nonparticipating arts organizations from those benefits.

In other words, the question is this: *If high quality information about arts organizations is a public good, then, what factors influence the extent to which, and ways in which, the arts can solve this collective action problem?* Creating data as a public good requires that a field organize itself, or that an outside agency impose a system on it. In either case, some combination of incentives for participation and sanctions for noncooperation are required if it is to work. Another requirement (though it may seem so obvious as to be overlooked) is the ability to identify the relevant participants. More concretely, we can posit that the level of organizational data collection and analysis in any field reflects the capacity of organizations in that field to organize themselves to create the resource, which is a function of industry structure; the demand for such data from outside organizations with the power to gain compliance, which is a function of the structure of the industry's environment; and the degree to which membership in the public that will use the public good can be identified, which is a function of the extent to which the field is highly institutionalized or undergoing fundamental change. We shall look at these factors one at a time.

Capacity and industry structure. The arts sector is unusual among nonprofit industries in that it comprises a very large number of very small organizations, as well as a relatively small number of large institutions (Bowen et al. 1994: 123). Thus far at least,

the arts have experienced few of the trends towards merger and concentration that have reshaped such fields as commercial publishing or health care. Fields with large numbers of small organizations are less able than others to solve collective-action problems, for obvious reasons, especially when the solution requires that all, or almost all, members participate.

Moreover, efforts to collect reliable data on arts organizations have foundered on the fact that many such organizations are simply unable to supply them. Compared to hospitals, universities, or even human-service organizations, the typical arts organization is small (Bowen, et al., 1994: 24), and therefore less likely to have specialized employees skilled in using and generating quantitative data. (The presence of such employees tends to lower the cost to the organization of participating in data collection systems and to increase its benefits, as organizations with such staff are better equipped to take advantage of data resources.) Moreover, in so far as it can afford skilled specialists of any kind, the small arts organization's mission impels it to invest more heavily in staff who are good at mounting productions, creating exhibitions or education programs, or raising private funds, than in staff who are good at (or have time to) maintain detailed records on staffing, finances, audience and programming. When pressure from increased competition and declining contributed revenues place an organization's survival at stake, the priority it places on participating in data collection efforts becomes yet lower.

Structural heterogeneity also makes it difficult for even many statistically sophisticated arts organizations to report reliable, comparable information. A chamber orchestra, for example, is likely to account quite differently for expenditures and revenues depending on whether it is a free-standing nonprofit organization, a subsidiary of a symphony orchestra, or part of a larger university structure. (That the problem is not insuperable is evident from the fact that heterogeneity is even greater in certain industries, like hospitals and higher education, where data systems are better.) Finally, as we shall see, even when arts organizations do everything correctly, their financial data may not be comparable due to differences in the conventions followed by the accountants who prepare their audited financial statements. For this reason, collecting reliable data, especially financial data, from nonprofit arts organizations requires a substantial investment in data-checking, conversations with respondents, and training.

Environmental structure and incentives. Data systems tend to emerge when pow-

erful organizations in the target organizations' environment want them and are able to create reporting incentives, and take a form that reflects the structure of that environment. Compared to the importance that many citizens place upon the role of the arts in society, or to their prominence in the media, or to their salience as amenities, the arts sector is very small by any financial measure. A recent estimate puts annual revenues for nonprofit museums and performing-arts organizations and live commercial theatre at $7.3 billion: about twice the amount spent on television and radio repairs, but just three quarters what we spend to clean, store, and repair our clothes each year (Heilbrun and Gray, 1993:8). Given that this figure represents less than one quarter of one percent of gross domestic product (GDP), it is small wonder that arts statistics have not kept up with statistics on health care, which consumes well over one-tenth of GDP.

Equally important in determining the availability of data for a sector is its revenue profile and the extent to which organizations in the sector are funded or regulated by government. Organizations produce data when they depend upon outsiders who demand it. (Good financial data on publicly traded firms are widely available, because investors and government regulators require companies to supply it; information about such companies' human-service policies or R&D expenditures, and almost any information about companies that are not publicly traded, is much less abundant.) Similarly, as Netzer (1977: 1-2) noted, "the best Federal government economic statistics are those for particular sectors that have long been "clients" of the Federal government, with major, well-established Federal agencies devoted to their welfare." Information about universities and hospitals is relatively plentiful because these institutions have been heavily funded by government (directly and indirectly), which has consequently had sufficient leverage to impose more complex reporting requirements. (Coercion does not explain all differences among industries, however, for hospitals and universities collected more data than arts organizations when government's role in those industries was much smaller than it is today.) By contrast, the arts receive relatively few of their revenues from government, and more than most other nonprofits from charitable contributions. In most arts fields, donations are dispersed among many donors and institutions, who therefore lack the capacity to organize in order to make demands on the field as a whole. (Donors can, of course, make formidable demands on particular organizations, but these are restricted to the objects of their beneficence and, in any case, are rarely for participation in aggregate data

collection efforts!)

Finally, not only the intensity, but the nature of the relationship between government and the nonprofit sector, influences the kinds of data the latter make available (DiMaggio, 1983; Scott and Meyer, 1983). By "nature," we refer, first, to the modal type of interaction (funding, regulatory, cooperative); and, second, to the division of labor between federal and state government and to the degree of centralization or dispersion of responsibility at each level (Weiss and Gruber, 1987). Since the creation of Medicare and Medicaid, the federal government's role as a third-party payer and the explosive growth of health-care costs have placed it in a sometimes adversary relation to health-care organizations, and created an urgent need for data capable of informing cost-containment policies. By contrast, the federal government's mission in the arts has been primarily supportive and nurturing. By the 1970s, the public arts-support system in the U.S. had taken on what, by U.S. standards, might be termed a "corporatist" federal structure. The NEA and state agencies, which were often modeled on the NEA, made grants to arts organizations throughout the U.S., treating grantees as constituents organized around discipline affiliations.

At least three characteristics of the current arts-organization data system reflect the nature of government's role. First, the agency's largely cooperative relationship with, and responsiveness to, its constituents was reinforced by two factors: selection of program staff from the arts fields and turnover of most program staff at regular intervals, and the important role of disciplinary groups in supporting NEA and state arts agency [SAA] appropriation requests. (In addition, the fact that the arts constitute a public good rather than a policy problem has limited, though not eliminated, legislative demands for reliable data.) Consequently, the Endowment has not been in a strong political position, nor have program staff been sympathetic to, imposing onerous reporting requirements on its constituents.

Second, the agency's discipline-based program structure tended to reinforce the role of service organizations as the front line in data collection. (As we shall see, this system has had both benefits and costs.) Through its first two decades, the NEA organized most of its grant-making by discipline and, especially in the 1970s, actively supported service organizations. Because arts organizations eligible for membership in the service organizations were, in most cases, the same ones eligible to receive Endowment grants,

support for and encouragement of service organization data functions was a reasonable and cost-efficient way for the programs to keep track of their constituencies. (It is significant that the service organization for museums -- the one discipline type for which federal responsibility was fragmented among several agencies, which defined their constituent population in different ways -- has been the only major service organization that has not thus far taken on a regular data-collection role.)

Third, the strong ties and division of labor between the NEA and the state agencies made it natural for the former to rely on the latter when it did create a national system, and the centralization of responsibility for the arts at each level of government (at least compared to such fields as education or health care [Weiss and Gruber, 1987]) made it possible to create such a system effectively. The result was a system, the National Standard, designed to track grants, not organizations, though, as we shall see, it may prove sufficiently adaptable to serve as a foundation for an organizational data base.

Thus the current array of arts-organization data systems reflects the structure of responsibility in arts support in the American federal system: a strong division of labor between federal government and states, responsibility for the arts relatively centralized in single agencies at each level, and a generally cooperative and politically interdependent relationship between agencies and the fields they support. Such a structure leads to a strategy of mediation. Rather than collect data directly from arts organizations (or even use systematically data it has acquired through the application process), the NEA has worked through partnerships with discipline-based service organizations and SAAs. The result, as we shall see, is a data system that reflects the needs of service organizations and grant accounting rather than many of the needs of policy makers and policy analysts.

Institutionalization and change. It is difficult to create a public good unless the public that can produce and use it is self-conscious of itself as, and understood by others to be, a group. Even where the will to collect data exists, unless one can identify and enumerate the organizations from which data should be collected, it is hard to do so.

An enormous amount of bias in our view of the universe of arts organizations arises from the fact that it is easier to collect data on organizational forms that are well institutionalized than on organizations that do not fit cleanly into well established institutional definitions. This is true for several reasons.

First, it is easier to recognize an organization that fits an established institutional

form. Psychologists tell us that we think by means of prototypes and schemata, which are simple templates we use to recognize and interpret new information. Our minds also organize sets of prototypes into systems of classification, which help us to divide things into categories, and provide expectations about the relationship of one category to another. Experiments demonstrate that we recognize things that fit into our established system of classification more readily than things that do not. Indeed, when something inconsistent with our expectations comes into view, we are less likely to notice it and, if we do notice it, less likely to observe it accurately and less likely to be able to recall it later (D'Andrade, 1996; Zerubavel, 1997).

Institutions work the same way, but they are even more powerful than our personal cognitive filters for two reasons. First, people in a community share institutionalized understandings and therefore reinforce them in one another. Second, they are reflected in and bolstered by institutional arrangements that tend to standardize categories in reality as well as in our minds. When we speak of a type of arts organization being "institutionalized" we refer, then, both to cognitive and structural phenomena: An institutionalized organizational form is one that people recognize and take for granted, and also one whose definition is reinforced by a range of social forces that tend to standardize such organizations' structure and behavior. For example, if we say that museums are more institutionalized than neighborhood arts centers, we mean that most people can conjure up a clearer image of the former than of the latter; and also that museums, but not neighborhood arts centers, are served by an extensive apparatus of organizations that define and accredit them, provide pre-service and in-service training, and facilitate interaction among their staff. One implication of this is that, for all the diversity among art museums [which are less strongly institutionalized, for example, than public high schools, most structures and activities of which are mandated by law], they have more in common with one another than do neighborhood arts centers, which are affected by far fewer centripetal forces. More generally, the more institutionalized is an organizational field, the more similar the missions, programs, and structures of the organizations in it (DiMaggio and Powell, 1983; Scott, 1995).

Institutionalization influences organizational data collection in several different ways. First, it shapes our perception of the population of arts organizations and of what types of arts organizations are numerous and important. (Think about the phrase "arts or-

ganization" and see what comes to mind. We guess that you envisioned art museums, orchestras, theatres, opera, or dance companies first, and such newer forms as neighborhood arts centers, arts-education programs, collective galleries, performance art centers, and media arts organizations only second, if at all.) Because the established forms are more salient, attempts to define and gather data on the universe of arts organizations usually begins (and sometimes ends) with them.

Second, institutionalization shapes the ease with which one can find and count organizations. Strongly institutionalized fields tend to have service organizations that enumerate organizations of a given type, and well established networks among artistic professionals (and between those professionals and representatives of the press and of funding agencies) that increase the visibility of their organizations. Moreover, boundaries of well-institutionalized fields (e.g., the arts disciplines) are more likely to correspond with funding categories of private and public grantmakers; thus organizations in such fields are more likely to come to the attention of grantmakers and information about them is more likely to reside in grantmakers' files. Weakly institutionalized fields lack all of these things. Moreover, visibility is a function of size (other things equal), and poorly institutionalized fields are often characterized by particularly large proportions of very small organizations. Finally, strongly institutionalized industries maintain "definitions of what an organization is that render invisible those producers that do not adopt this form" (DiMaggio, 1987:196). There are no for-profit museums on most lists, because the official definition of museum promulgated by the National Institute of Museum Services and the American Association of Museums declares that museums are nonprofit organizations or public agencies. This definition excludes several hundred publicly accessible corporate collections and free-standing proprietary museums, which are no less museum-like for their exclusion (*Ibid*.: 198).

Third, because the boundaries of arts disciplines are much clearer than those of less institutionalized fields, it is usually much easier to decide whether something is a museum or a resident theatre than to decide whether it is a neighborhood arts center or an artists' organization. Therefore, when researchers decide what organizations belong (or do not belong) in their survey population, and decide how to categorize the organizations that do belong, most of the close cases will come from the less institutionalized forms.

Fourth, because organizations in well institutionalized fields are more similar than

those in less institutionalized fields, it is often easier to design appropriate data-collection instruments for the former (Netzer, 1977: 73). For example, a survey meant to collect data on a resident theatre can assume that it produces plays and, in many cases, that it does so regularly on one or two stages and that it is a free-standing nonprofit organization with a subscription audience. By contrast, a survey of local arts agencies (which are becoming more well institutionalized, but still less so than theatres) must first distinguish among several governance arrangements (private, public, private but designated to perform certain public functions) and ascertain which of many possible functions the agency in fact carries out.

Fifth, even in the disciplines, organizations vary in the degree to which they adhere to institutionalized definitions of an organization type. In general, small organizations are more heterogeneous than large organizations (Netzer, 1977: 73). (Small theatres or orchestras or choruses are less likely to be clearly "professional" than large ones, are more likely to be subsidiaries of larger organizations, including non-arts organizations, than large theatres, orchestras or choruses, and may be more diverse in other ways as well.) Therefore, many of the points we have made about less institutionalized arts fields also apply to small organizations in well institutionalized fields.

All of these things lower the cost of surveying highly institutionalized organizations and raise the costs of studying less well institutionalized forms. Large organizations in well-institutionalized forms are cheaper to find, easier to recognize, easier to classify, and cheaper to contact, and they can be surveyed with less complicated instruments. (Moreover, because they are larger and have more technical staff, they will provide more reliable data with fewer follow-up calls.)

Thus cognitive factors make organizations in the standard arts disciplines more visible while economic considerations make them less expensive to study. Put these together, and we find a powerful source of bias in research on arts organizations. As this discussion would lead us to predict, we shall see in chapters 2 and 4 that we have much better data on large arts organizations than on small ones, and on organizations in established disciplines than of arts organizations in less institutionalized forms.

Such bias is enough of a problem in stable times, for it leads to data systems that provide distorted views of the nature and distribution of organized artistic activity in our society and our communities. But when the arts industries are undergoing rapid change, as

they appear to be today, the impact of such bias can be disastrous, for it blinds us to the challenges and opportunities that accompany such change. (As we shall see in chapter 3, this point was emphasized by many of the men and women interviewed for this project.) Institutional change presents a classic chicken-and-egg problem. We cannot understand the magnitude and character of a change unless we can measure it. But we cannot measure a phenomenon until we know where to look for it. And we cannot know where to look for it until new forms have become sufficiently standardized and well-established to be accessible to researchers. We describe this problem, which we encountered in the research for this report, in chapter 4, and suggest some solutions in chapter 5.

The factors that make institutionalized arts fields easier to study than less institutionalized ones also help to explain why data resources on arts organizations are relatively poorer than those for other nonprofit service industries. Compared to universities or hospitals, for example, arts organizations are more heterogeneous and less well institutionalized. A higher proportion of arts organizations than of universities or hospitals fall between disciplinary cracks. The category "arts organization" comprises far more varied organizational forms than do the categories "higher educational institution" or "hospital." Professional training is less standardized in the arts than in education and medicine, and licensing and credentialing systems are absent or weak. And there are far more organizations of very small size and very low levels of activity.

Summary. We have inadequate data on arts organizations because the arts are relatively weakly institutionalized (and different types of arts fields vary greatly in institutionalization), because there are very large numbers of very small arts organizations, and because arts organizations are less dependent on government or other external agencies than are most nonprofit service-providers. Each of these factors makes it difficult for the arts field to organize itself to produce adequate levels of high-quality data, because each increases both the cost of data collection and the difficulty of gaining high levels of cooperation from organizations from which data are sought. In chapter 5, this analytic framework will point both to specific problems that any new system for data-collection must address and to tentative solutions to some of these problems.

Lessons from Previous Research

Given the broad consensus that information is central to rational management and policy

making and that reliable time-series data are necessary for purposes of planning in both organizations and governments, and given the ubiquity and frequent use of official data in almost every policy field, a review of the literature revealed remarkably little research on such systems. No doubt, some valuable unpublished reports reside in file cabinets around the country; but few papers have been published in the scholarly and applied journals indexed by such systems as Folio, Sociofile, Econlit, and the Nexis medical journal data base. There are some useful insights to be gleaned, however, from a few papers on arts data, from work on data systems in other fields, from more general analyses of the role of information in decision making, and from methodological research on identifying populations and creating samples of organizations. We review each of these here.

Research on arts data. At the beginning of this chapter, we cited several researchers who surveyed the field of statistics on arts organizations only to find it relatively barren. Although we cannot extrapolate observations about the quality of particular data sources in earlier years to the present, due to changes over time, we can conclude from the earlier work that existing sources are of limited value for compiling time series that extend back beyond 1980 (and of no value for the kinds of generalizations about change for which random samples are required).

An ambitious study of data on arts organizations by Samuel Schwarz and Mary G. Peters (1983) as part of their study of growth in the arts during the 1970s identified several problems that made their quest for reliable data more difficult. One, the absence of a "widely accepted taxonomy" to "create mutually exclusive types of organizations" (11), has been in large part resolved, with two workable alternatives. These include the multifield approach used by the National Standard and the simpler taxonomy of the National Center for Charitable Statistics, which has been adopted by the IRS. Another, the problem of identifying and collecting data on arts groups that are part of such larger organizations as universities and community centers, is as obstinate as ever. The authors also noted problems with the quality of financial reporting, especially on nonoperating funds. Although they were optimistic about the contribution of accounting standards to improving financial data, we shall see that despite such improvements as may have occurred, financial data remain less reliable and comparable than one would like. (As evidence of this, a forthcoming study by Froelich and Knoepfle reveals sharp discrepancies between financial data reported on IRS 990 and by the reporting organizations' own audited financial

statements.)

Some researchers have attempted relatively recently to evaluate the completeness of different sources of information on arts organizations. Grönbjerg (1989) sought to enumerate all of the nonprofit organizations in Chicago. After consulting a variety of sources, she concluded that lists produced by state and local arts agencies (based largely on grant applications) were the most useful sources.

A potentially important resource for studying nonprofit organizations is the IRS Business Master File (BMF), which contains the names of approximately one half million entities incorporated under section 501(c)(3) of the Internal Revenue Code (the section pertaining to public charities) (see chapter 2). But this source excludes many small organizations and does not purge defunct organizations systematically from its lists, so many have wondered how many of the organizations it includes are in active operation. In 1993, Bowen et al. (1994) tracked down 290 Manhattan performing-arts organizations that were listed in the 1991 BMF but not required to file returns because they claimed less than $25,000 in gross revenues. Using telephone books, directories published by arts service organizations, and visits to street addresses, the research team discovered that only 22 percent had been active in 1991.

Schuster (1994) reviews several instances in which cultural indicators were collected for purposes of policy analysis, and makes several points worth bearing in mind about the collection of potentially sensitive data elements. First, data tend to focus attention: If a program or project has several goals, collecting data relevant to just one of these goals may lead that goal to assume a greater importance than it should. Second, when organizational respondents perceive indicators to be linked to access to resources, they will often find ways to optimize their scores on such indicators in ways that the policy makers who designed the survey did not have in mind. For this reason, many policy-relevant "indicators" have a limited half-life, serving as indices in the intended manner only until respondents figure out a way to get around them.

Two earlier studies commissioned by the NEA Research Division addressed directly some of the issues covered in this report. Netzer (1977) reviewed data on performing-arts organizations with the aim of informing the construction of an economic data series. Many of his observations about particular data sources are by now out of date, but many of his broader conclusions remain timely. He argued that data on arts organizations were

inadequate not because there were too few of them, but because they tended to be "inaccessible, not comparable with one another, hard to interpret, or of doubtful statistical reliability" and because "there were strategic gaps in the coverage of the data." His conclusion called attention to an issue that remains significant: the cost-efficiency of a system that invests many resources in the production of a great many numbers without coordination or collective planning. As we shall argue, a key aim of any data system must be to maximize cost-efficiency without sacrificing the flexibility that the current decentralized system affords.

Netzer interviewed policy makers and grantmakers about their data needs (36). Some of their recommendations were similar to those of the men and women we interviewed. They called for better information on attendance and audiences, detailed financial data on arts organizations, projections of the future financial status of the arts, information on small arts organizations, information on minority participation in the arts, and data that are more current and "more intelligible to the unsophisticated." Other problems he identified appear to have been addressed effectively over the past two decades. There are now, for example, much better data available on grant making by public agencies and private foundations, the NEA Research Division and others have produced reports on the geographic dispersion of arts activities and on self-employed artists, and economic impact studies have become familiar instruments of advocacy.

Netzer's criteria for a good data system remain pertinent. A data series on arts organizations, he argued, must permit comparison over time, must extend beyond financial data (narrowly defined) to include information on the products and audiences that give the arts their social value, must cover a wide group of respondents, must be accessible to potential users, and must avoid undue burden on respondents by piggy-backing new questions on existing surveys or compiling already available data whenever possible. Although Netzer viewed data on major disciplinary arts organizations as the primary focus of such a system, he also called for data collection from smaller organizations and those outside the major disciplines, but suggested that such information might be based on samples or collected at five-year intervals to reduce costs.

The authors of an *Economic Data Series Feasibility Study* (Informatics, 1980) developed and conducted a pilot survey of twenty-three nonprofit arts organizations near Washington, D.C. The report drew three important lessons that remain timely. First, the

sine qua non for developing time-series data on arts organizations is data quality. Because the success of any data-tracking system rests on its credibility, and because its credibility rests on its validity and reliability, compromises on quality can undermine the entire project. Second, and consistent with our earlier comments on the collective-action problem, any successful research process must minimize respondent burden and keep respondent motivation high by communicating effectively the purpose of the research and the collective payoffs that it will yield. Third, the authors noted a tension between the ability of a survey instrument to elicit high-quality data and the number of kinds of organizations to which it is applicable. The most general questions about structure and activity often failed to capture significant differences among organizations, and questions specific enough to capture the information the researchers sought did not apply to different kinds of organizations. Consequently, the authors recommended reliance on several different survey instruments to be administered to different populations or samples.

Research on indicators in other largely nonprofit service industries. Although national systems for collecting data on service-providing organizations are a standard part of the artillery of policy analysts, planners, advocates, and management educators in most of the nonprofit service industries, relatively little published research is available on data-collection systems themselves. Nonetheless, some of what exists is illuminating.

Data on the health care system are especially plentiful. There are two rather different systems within the health care industry, one focussing on providers and serving the industry itself and potential investors; and another focussing on cases and serving the interests of government regulators, insurance companies, corporate health-care consumers and others concerned about reducing cost and utilization of medical services.

The major source of information on hospitals is the American Hospital Association's (AHA) annual report, *AHA Hospital Statistics*. AHA fields an annual survey consisting of twelve pages of closely packed questions on governance, organizational structure (including ownership of subsidiaries), facilities maintained, services provided (eighty-three choices, distinguishing for each between provision by respondent and provision by contractor to respondent) and clients served, allocation and utilization of beds, financial data (broad categories, detailed information on patient service revenue, and separate fields for general funds and capital accounts), and detailed staff information. The survey form includes 11 pages of detailed instructions with 229 separate definitions (AHA,

1993: 242-69).

The AHA annual survey is sent to all U.S. hospitals, including those that are not members of the AHA. In 1992, 6092 hospitals responded to the survey. Response rates ranged from 82.7 percent for hospitals with fewer than 25 beds to just over 95 percent of hospitals with 300 or more beds. The survey has suffered from attrition in participation by investor-owned hospitals: 75.6 percent of these completed responses as compared to 95 percent of private nonprofits and more than 90 percent of government facilities (AHA 1993: xxxi-xxxii). (As economic theory would predict, for-profits are less willing to invest in the production of the collective good of information.)

The AHA has surveyed hospitals for many years, and one of the attractive qualities of the data base is its utility for over-time comparison. *Hospital Statistics* contains time series that originate as early as 1946.

In addition to the Annual Survey of Hospitals, which is a universe survey, the AHA conducts a monthly National Hospital Panel Survey of a representative sample of community hospitals, aimed at noting seasonal fluctuations and short-term trends in staffing, financing, and utilization (AHA, 1993:xix). Data from both surveys are available in machine-readable form from the AHA, although some confidential data on revenues are excluded.

Although the AHA research program is particularly thorough, other service organizations routinely survey their members. For example, the American Association of Health Plans (an association of health maintenance organizations [HMOs] formally called the Group Health Association) has surveyed its members for several years.

Other research on hospitals and health care organizations is carried out by organizations with an interest in monitoring or controlling the health care industry. Health Care Investment Analysts, Inc., a commercial organization, sells Medicare cost data on all the hospitals in the United States. Some states compile and make available financial data on hospitals on an annual basis; California, Maryland, and Florida have especially well developed information systems of this kind. HMOs file regular reports with state insurance commissioners, and these reports are compiled and made available to researchers by the federal Health Care Insurance Agency (Gray, 1991).

In part due to a long history of accreditation dating back to 1952, reinforced by reporting requirements associated with Medicare from the 1960s, many hospitals have soph-

isticated information systems, in many cases boasting a "Chief Information Officer" among their job descriptions (Luce, et al., 1994). Indeed, in 1993 the Joint Commission on Accreditation of Healthcare Organizations added eleven "benchmarks for organizing information" to its accreditation manual (Bergman, 1993:68). A long-term trend in the collection of data for purposes of cost containment and regulation is a shift from aggregate organizational to case-based information systems. At first, this shift took the form of "standardized outcome-oriented" surveys of selected types of cases. More recently, demands for case-management information have increased and physician profiling has been added to the artillery of data-collection techniques (Luce, et al., 1994).

Reactions to this experience from the arts community might well range from envious (on the part of data users) to relieved (on the part of hard-pressed arts organizations for whom the very notion of employing a "chief information officer" is entirely fanciful). But there are some points of relevance. For one thing, efforts to collect information from healthcare organizations have often been met with strong opposition, often intractable but sometimes overcome by intense efforts to educate potential respondents about the value of the data for which they are being asked, or the threat of coercion. (Pennsylvania law makes executives of noncompliant hospitals subject to criminal prosecution, and major corporate healthcare purchasers in some cities have joined ranks to demand that hospitals cooperate in their efforts to gather cost information.) (Overman and Cahill, 1994). Models of coalition-building to support local data-collection projects in cities like Cleveland, where an alliance of employers, hospitals, and doctors worked together to develop high quality hospital data, may be relevant to the arts (where data collectors, lacking sticks, are in particular need of carrots) (Bankhead, 1991). Moreover, although the client relationships of hospitals and arts organizations are anything but closely analogous, the great interest among those we interviewed for this project in an "activity-based" approach to gathering information on arts organizations may render the experience of health-care organizations more relevant than immediately apparent.

Higher education is another field for which over-time data on central service-providing organizations is more available than in the arts (National Center for Educational Statistics, 1995). The Integrated Postsecondary Education System (IPEDS) has been collecting data annually since 1986. This survey, carried out by the National Center for Education Statistics [NCES]), polls 11,000 colleges, universities, and post-secondary

vocational institutions. (IPEDS supplanted the Higher Education General Information Survey [HEGIS], which was created in 1966. For some purposes, IPEDS and HEGIS data can be combined to yield time series on colleges and universities that extent back to that date.)

IPEDS integrates information from eight separate components, including surveys of institutional characteristics and instructional activity, fall enrollment (including age and residence), enrollment in occupationally specific programs, completions, finance, staffing, faculty salary, and academic libraries. The survey components, which are administered separately, yield high response rates, ranging from the high 80s for financial statistics to 97 percent for the fall enrollment survey. Tabulations are published annually in the *Digest of Education Statistics*, and data are made available for secondary analysis by researchers.

Although IPEDS is the most elaborate survey of colleges and universities, it is not the only one. Several surveys make it possible to combine data at the organizational level with data aggregated by organization on students or faculty. The National Postsecondary Student Aid Study, also carried out by NCES, collects information on 70,000 students at 1130 institutions. The National Survey of Postsecondary Faculty, conducted by NCES with support from the National Science Foundation (NSF) and the National Endowment for the Humanities (NEH), includes surveys of 480 institutions, 11,000 of these institutions' faculty, and 3,029 of their department chairs.

NSF also compiles several data sets on universities or their students, including its survey of doctorates, its survey of grants and contracts to universities and colleges from fifteen federal agencies (which uses the IPEDS universe definition) and its sample-based Survey of Scientific and Engineering Expenditures at Universities and Colleges.

Research on the compilation and use of statistics. Research on the ways in which external factors influence the collection and use of data may be helpful in designing a system that can meet as many as possible of the needs of the arts field. Researchers who have studied statistical systems at close quarters emphasize the multiplicity of forces that stand between statistics and the things that they are meant to measure. "Official statistics," write William Alonso and Paul Starr (1987:1)

> do not merely hold a mirror to reality. They reflect presuppositions and theories about the nature of society. They are products of social, political, and economic interests that are often in conflict with each other. And they are sensitive to methodological decisions made by complex organizations

> with limited resources...They echo their past as the surface of a landscape reflects its underlying geology.

In particular, argues Starr (1987: 41, 53), decisions about what to measure and the categories used to measure it are inevitably political, in the broad sense of subject to debate on the basis of differences in interest and perspective. First, to measure a phenomenon is to "confer recognition that the phenomenon is real"; measurement can make visible weakly institutionalized organizations or processes which are otherwise invisible. Many of the men and women interviewed for this project emphasized that the role of the arts in society is changing and that any data collection system must capture the kinds of organizations and activities that current data collection efforts fail to pick up. Second, the categories governments use to classify phenomena "enter the language of administration and shape both private and governmental decisions." Merely providing information about organizations of a particular kind increases the probability (though it hardly creates a certainty) that such organizations will become the focus of policy studies or grant making efforts.

Weiss and Gruber (1987) provide an unusually thorough discussion of one national data system, the *Common Core of Data* that the National Center for Education Statistics collects about U.S. public school districts. Weiss and Gruber explain the paradox that the NCES Common Core data were relevant to virtually none of the important policy debates that engaged educational policy makers for two decades as a result of two features that tend to weaken the capacity of the NCES to gain the compliance necessary to collect policy-relevant data. First, the fragmentation of control over elementary and secondary education among federal, state, and local government, and within the federal government, increases the coordination costs involved in gaining agreement to add elements to the system and weakens the influence of NCES relative the states. Second, the absence of consensus among the community of policy makers about what aspects of public schools do make a difference (and therefore which ones must be measured) ensures that these divisions cannot be papered over with a "technocratic fix." Part of the problem -- and one that is surely relevant to the selection of elements for a system of data on arts organizations -- is that "education policy is largely preoccupied with things that are hard to measure in a standardized fashion" (387). Like Alonso and Starr, Weiss and Gruber emphasize the necessarily political quality of decisions about data: "Participants in the policy process

prefer the collection and distribution of statistics that show them to their relative advantage. This preference is not venal or malicious, and any voluntary statistical system must take it into account" (391).

Other studies have demonstrated that data are used for a range of symbolic purposes as well as for formal analytic purposes. Langley (1989) reports that just over half of the formal analyses carried out in three large organizations in which she conducted field work were undertaken to gather information useful for decision making. Others were undertaken in order to communicate persuasive information to managers, to require managers to focus their attention on particular problems, and to symbolize the organization's commitment to rationality and willingness to address an issue. Feldman (1989) made similar observations about the use of formal analysis in the U.S. Department of Energy.

This pattern has been found among arts organizations as well. Cameron (1991) reports that most of the local arts nonprofits she studied conducted or planned to conduct some sort of audience survey. Many of these, she writes, were "clearly badly designed and interpreted" but "technical concerns didn't seem to be an issue. What was important was [that] they had gone through the exercise as a demonstration of good management." In an NEA-sponsored study of arts organizations' use of audience research, DiMaggio and Useem (1980) reported that the impact of research on decisions was characteristically marginal and indirect, that most studies had both political and instrumental applications, and that approximately one third of all applications cited in interviews were political or symbolic.

Research on methodological aspects of organizational data-collection. In the 1980s, the National Science Foundation commissioned a series of studies aimed at developing approaches to the problem of sampling from populations of organizations. Because there are no national lists of organizations, research on organizations had suffered from the absence of samples upon which generalization could be based. The NSF initiative sought to solve this problem. Work by the researchers whose studies it supported is relevant to the comparable problem of defining and identifying the universe of arts organizations.

Pilot studies analyzed the relative quality and biases of different approaches to identifying populations. (See chapter 4 of this report for a similar study.) The most

elaborate study used the White Pages, Chamber of Commerce directories, unemployment insurance forms, Dun and Bradstreet's Market Identifier files, and a direct enumeration by researchers who drove down every street and visited every mall and office building, to list all of the businesses in Durham County, North Carolina (Kalleberg, et al., 1990). They found that the most complete approaches -- direct enumeration, which was the only approach that captured new organizations, and telephone directories, which, like enumerations, were relatively unbiased with respect to size, and which were most representative by company industry -- were also the most expensive. (Direct enumeration would, of course, be even less cost-efficient for identifying relatively rare entities like arts organizations. The cost of telephone directories as a source has declined as more of them are available on compact disk, and keyword searches of machine-readable telephone directories may be a useful supplement to the approaches described in chapter 4 for compiling lists of arts organizations for local community studies.) Chamber of Commerce data were poor in coverage. The Dun and Bradstreet data, though relatively expensive to purchase, and the Unemployment Insurance information performed better. (The D&B data are biased towards larger organizations and their coverage of nonprofits is poorer than their coverage of for-profits. The U.I. data are probably similarly biased, and gaining access requires negotiation with state unemployment agencies.)

In their conclusion, the researchers argued that none of the approaches was adequate and recommended an entirely different technique, based on surveys of individuals, called "hypernetwork sampling" (McPherson, 1982; Spaeth, 1985). NSF followed this recommendation when it funded a National Organizations Survey in 1992. The researchers asked respondents to an ongoing national sample survey to report the names and addresses of their employers and of those of their spouses. This generated a sample of organizations in which each employer could be included with a probability roughly equal to the share of the labor force that it employed. A separate NSF-funded survey was then administered to the organizations identified in this way (Kalleberg, 1994; Spaeth and O'Rourke, 1994).

The relevance of the National Organizations Survey project to the topic of this report is twofold. First, we agree with the diagnosis reached by the committee of experts that NSF assembled: The fundamental problem in organizing reliable information about organizations (in the arts as in every other field) "is the absence of a complete sampling

frame" (ibid.: 873). Until researchers have a basis for sampling, we will never be able to interpret the data we have. In chapter 5, we will emphasize the role of a national statistical system for arts organizations as a solution to this problem.

Second, we find the use of hypernetwork sampling an intriguing possibility for local studies of arts organizations, as a means of generating a list of arts organizations selected with probability proportional to the size of their local audience or client base. (The method might also be used to generate a national sample of arts organizations, but we regard it as no substitute for a systematic population list of the sort recommended in chapter 5.) Hypernetwork sampling could be useful both as a supplement to other approaches to compiling a local universe list (as a way of combating sources of bias that render certain types of organizations invisible, perhaps through oversamples of ethnically or racially specific communities). It could also serve to generate a useful sample of organizations in areas without the resources to develop comprehensive population lists. Perhaps most exciting, hypernetwork surveys that tap respondents' relationships to artists as well as to organizations provide the means of integrating information about organizations, artists, and audiences in a given community. Before employing this approach on any large scale, however, pilot research would be required to assess the ability of respondent screening to render surveys cost-efficient as sources of information on arts organizations (because of the skewness of attendance) and to establish the extent to which people recollect sufficiently their arts activities to provide sufficiently detailed and specific identifying information to permit follow-up surveys of arts organizations whose programs they have attended.

Organization of this Report

The original research undertaken for this report consists of three major phases or subprojects. The results of each are presented in a separate chapter.

The next chapter (chapter 2) describes the most important data sets on arts organizations currently collected. These include information collected by such service organizations as the Theatre Communications Group (TCG) and the American Symphony Orchestra League (the League); data sets compiled by public agencies, of which the National Standard maintained by the National Assembly of State Arts Agencies (NASAA) is by far the most important; and data collected by agencies that are not primarily concerned with the arts (e.g., the Internal Revenue Services, which maintains files of Form 990 returns

required annually from nonprofit organizations with $25,000 or more in expenditures, or the Council on Foundations, which maintains records on grants from private and corporate foundations to nonprofit arts organizations). We ask similar questions about each data set: For what purposes has it been created and how is it used? What is the population of organizations to which its findings are meant to be relevant? From what set of organizations are responses sought and what is the rate of response? What kinds of information are requested? How do researchers assess the reliability of responses, especially to financial questions, and what efforts are made to improve reliability? How comparable are data from different respondents and over time? To what extent are results or data made available to the policy and research communities, in what form, and with what conditions?

Chapter 3 reports the results of semi-structured interviews with 62 men and women with serious interest in data on arts organizations. The people with whom we spoke come from a range of backgrounds. Some are grantmakers in the private or public sectors. Others work with arts service organizations. Others are consultants or university-based researchers who have worked extensively with data on arts organizations. Some work primarily with relatively established arts organizations in one or more of the major disciplines, whereas others work primarily with small and emerging organizations associated with communities of color. This chapter describes the data they use today and the purposes for which they use it, the data they would like to have available (and why), and their opinions on the type of organizational data system that would best suit the needs of the field.

Chapter 4 reports the results of a comparison of the utility of different sources of data for identifying populations of arts organizations in metropolitan areas. With the help of local partners and data specialists of many kinds, project researchers acquired and collated lists of nonprofit arts organizations in each of three metropolitan places: Dallas-Fort Worth; Minneapolis-St. Paul; and Philadelphia. Six different lists were compiled: nonprofit arts organizations included in the IRS 990 data base for each area; organizations included in the National Standard data base; organizations listed in the files of a national service organization or in the *Official Museum Directory;* organizations listed in local directories of arts organizations compiled by local arts agencies or similar entities; organizations included in statewide lists not generated from the National Standard; and

organizations mentioned in samples of entertainment listings in the local press. These lists were merged together with the object of accomplishing as complete as possible an enumeration of arts organizations. Where possible, limited information about each of the organizations included was collected with the help of local informants, who also assisted in purging the lists of ineligible or defunct organizations.

Chapter 4 includes two kinds of analyses that will be useful to readers contemplating community studies that include research on arts organizations. First, we report comparative quantitative analyses of the degree of inclusivity and types of bias in each of our major data sources for each of the three metropolitan areas. Second, we discuss qualitatively the formidable methodological challenges that we encountered in undertaking this enumeration, challenges ranging from ambiguity in the definition of arts organization, incomparability in the meaning of professionalism in different forms, variations among arts producers in organizational structures, and variations in the visibility of large and small, highly and weakly institutionalized, and majority and minority-community-based organizations.

Chapter 5 presents our conclusions and recommendations. Drawing both on the theoretical framework presented in this chapter and on the research results reported in chapters 2 through 4, we propose a general framework for data collection, based on the values of feasibility, flexibility and cost efficiency, that entails public/private partnerships to produce: 1) a comprehensive national enumeration of arts and cultural organizations, capable of generating comparable information over time on the composition of the U.S. arts-organization population with respect to discipline, program emphasis, location, and size, facilitating analyses of rates of creation and dissolution of different kinds of arts organizations, and serving as a high-quality frame for purpose-specific stratified random sampling; 2) ongoing data collection on arts disciplines, where appropriate, using the national sample frame just described, in which service organizations continue to play a major role; 3) ongoing research in selected communities with strong local initiative and access to research infrastructure to address such cutting-edge research challenges as identifying arts organizations that elude the national net; capturing the full range of arts activity that is not associated with arts organizations; modeling arts activity as a system in which organizations, artists, and audiences all participate. In discussing each of these three components we identify alternative approaches to implementation and discuss their

strengths and limitations.

There is, of course, substantial room for discussion, as well as uncertainty that modest additional inquiries can resolve, about the best way to undertake a program of this kind. But we have encountered encouragingly broad agreement with the overall framework described here. Most agree on the need for better data on organizations to inform planning, policy making, and advocacy; the importance of producing an unbiased national sample frame; the need to define "arts and cultural organizations" broadly and to move towards a system that emphasizes activity rather than organization *per se*; and the need for strong partnerships among public agencies at the federal, state and local levels; private philanthropy, including independent, community, and company foundations; arts service organizations and their constituents; and university-based researchers to achieve these goals. To be sure, the perfect data set will remain unattainably costly. At the same time, we are currently so far from that ideal that substantial incremental improvement would seem to be very much within reach.

Chapter 1: Introduction

The arts field has been eternally data-poor. The researcher interested in hospital or universities can benefit from decades of systematically collected data useful for assessing change and performance. Advocates for health care reform or federal support of university-based scientific research have reams of statistics upon which to draw to support their arguments. By contrast, researchers and policy makers in the cultural field must piece together information from a dozen sources to make even crude estimates of the dimensions of the nonprofit cultural sector -- its aggregate revenues and expenditures, the number of people it employs, and the size of the audience it serves. Reliable information on how these have changed over time is even scarcer. And, ironically, information about what matters most to people who value the arts -- the things that arts organizations actually *do*, their programmatic contributions to Americans' continuing education and quality of life -- is, with few exceptions, unavailable. The existence of so much activity, supported with so many public and philanthropic dollars, with so little capacity for tracking, assessment, or even identification of the organizational players, is to some extent an anomaly in American public life.

The dearth of information to guide program development, policy analysis, and advocacy efforts in the arts has hardly escaped the attention of grantmakers and public agencies, of course. The National Endowment for the Arts, Research Division has made systematic efforts for two decades to improve the systems by which data on arts organizations are gathered and reported, with some positive results. Foundations have contributed to these efforts, and arts service organizations have created and maintained their own data-collection systems. This report is one of a long line that have documented and deplored the absence of appropriate information to guide action in the fields that constitute the arts.

Indeed, dissatisfaction with the quality of information on arts organizations predates not just the NEA and its research efforts, but the New Deal. The Commission on Social Change, appointed by President Hoover in a synoptic attempt to document and summarize the implications of social research for public policy making, included a chapter on the arts, prepared by Frederick Keppel. The committee's chair, William Ogburn, wrote to the Commission's presidential liaison that Keppel "has an exceedingly difficult subject to deal with, one where statistical evidence is extremely rare. I think therefore that not as

much can be expected from ... this subject as for others" (Tobin, 1995:549). Keppel acknowledged this when he explained in the chapter's preface that "it has been necessary...to depart to a considerable degree from the general plan of the studies, both in the selection of material and in its presentation," giving more weight to "illustrative fact and incident" and "to individual and particularly to group judgment" (Keppel 1933: 959). As President of the Carnegie Corporation, Keppel campaigned for years for better information on the arts, publishing a report critical of the absence of information as early as 1924 (Bach 1924).

Interest in arts statistics abated at mid-century, but was rekindled again as the campaign to create a federal arts agency took shape. The authors of *The Performing Arts: Problems and Prospects,* the influential report of a private commission chaired by John D. Rockefeller 3rd and staffed by Nancy Hanks, noted on the very first page of their preface: "[W]e encountered considerable difficulty in obtaining adequate information," and concluded that "the lack of sufficient data and a central source of information" were "among the key problems of the performing arts in America today" (1965: ix). More than a decade later, Dick Netzer began a feasibility study for an economic data program on arts organizations with the observation that "Virtually no one concerned with the arts in the United States has ever been satisfied with the information available on the economics and financial characteristics of the arts...[T]he fact is that the economic data on the arts are far less adequate than the data on other aspects of American social and economic life" (1977:1). A few years later, the authors of a major NEA-supported study of the growth of the nonprofit arts and cultural sectors remarked upon "the lack of consistent data which plagued this study" (Schwarz and Peters, 1983).

The situation is better today in many respects -- for example in the availability of the NEA's *Sourcebook of Arts Statistics*, a compendium of literally hundreds of sources of statistical information about the arts, of which few would have been available before 1970. For researchers who need reliable, comparable, and computer-manipulable trend data on arts organizations, however, change has been inadequate. In 1966, William Baumol and William Bowen reported that assembling the data they needed for their classic study of the economics of the performing arts, *Performing Arts: The Economic Dilemma* "turned out to be a task of enormous proportions. Seldom were the pertinent data readily available, and investigation showed that such figures as did exist were often unreliable. We had no

choice, therefore, but to seek many of the requisite materials from primary materials wherever these could be found" (Baumol and Bowen 1968 [1966]:4-5). Almost thirty years later, in a systematic study of the nonprofit sector, Bowen and his colleagues (1994) wrote of the arts fields: "... it is virtually impossible to find consistent time-series data that extend farther back than the late 1970s or the early 1980s. In the end, we concluded that the only alternative was to assemble the data ourselves."

Why Have Reliable Data on Arts Organizations Been so Hard to Come By?

We suspect that the persistent inadequacy of data on arts organizations for purposes of planning, policy making, and advocacy can best be understood in terms of a more general analytic perspective on the factors that influence the quality and abundance of data in any field.

Organizational data as a public good. As we shall see in chapter 3, there is much demand for high-quality data on arts organizations. Although specific ideas and uses varied substantially, the men and women we interviewed almost all believed that having high quality data on the finances and behavior of arts organizations would have many positive consequences for management, fund-raising and advocacy, and planning and policy making. And most of them believed that currently available data were not adequate for those purposes. Why then, has the arts field produced less information than its members demand?

It is possible, of course, that we simply talked with the wrong people, or that the people we interviewed do not value the information enough to pay for it. But we would suggest that a different mechanism is operating -- that data on arts organizations is a kind of public good (Olson 1965) from the perspective of the arts field that is difficult to produce at satisfactory levels. Public goods are characterized by inseparability in production and nonexcludability in consumption. Inseparability in production means that most people have to cooperate if enough of the good is to be produced. (This can be because the good is very costly relative to what any one person can chip in, like a national park; or because the good itself, like democracy, is sustained through collective participation.) Nonexcludability in consumption occurs when benefits of a good accrue to everyone in a community, and cannot be denied to people who refuse to pay their share. (Military defense is a nonexcludable good in modern states because all citizens benefit. So, in sim-

ilar ways, are lighthouses, and clean air.) Other things being equal, markets tend to produce fewer public goods than people want because of what economists call the "free rider" problem. If everyone else contributes to a common fund to improve water quality in my county, then an economist would argue that it is in my narrowly conceived self-interest to hold back my own contribution, as I will benefit from the cleaner environment whether I contribute or not. If I am the only selfish one, little will be lost, for my contribution in itself would have paid for only a tiny share of the whole. But the more people behave selfishly, the less willing and able the rest will be to sustain the burden, until finally the battle is lost. That, say economists, is why we need government: to enable us to coerce ourselves (through taxation) to invest as much as we would like in public goods.

What on earth does this have to do with data on arts organizations? We suspect that these data have more in common with highways, clean air, and democratic institutions than meets the eye. Clearly, production is inseparable, in that data are useful only if a very high proportion of the units sampled respond. As we shall see, one of the great problems with the data that exist is that they tend not to be comprehensive: often response rates are low, which means that survey results are poor bases for generalization to the field as a whole; and the participation of specific organizations varies from year to year, which means that data collected at different times cannot be compared. (Various means are used to solve one or the other problem, but often successful efforts to enhance comparability reduce generalizability, and vice versa.) Consequently, much of the value of the survey is lost.

Like neighbors solicited for a community clean-water campaign or citizens deciding whether to vote in a presidential election, potential respondents may recognize that whether each completes the survey will have little effect on the results of the study. Indeed, unless enough other people respond to render the results of the survey generalizable, the value of their own contribution will be minimal. Other things equal, enough people will refrain from participation to make the exercise unsuccessful; as a result, even those who responded this year may be less willing to send back the survey the next time. (Of course, not all nonrespondents are "free riding"; some may not value information and others may lack the expertise to respond. But the result is the same.)

Less obviously, high quality organizational data are, in effect, nonexcludable. It is possible, of course, to collect data and not release the information to the larger community.

In fact, many service organizations do restrict the use of their data to their members and staff. But even service organizations ordinarily make the data they collect available to all of their members. (They could in theory keep it away from nonrespondents, but we know of none who do). And data collected by many public agencies (like the Internal Revenue Services's "990" forms, which all nonprofits with $25,000 or more in gross revenues must file) and many academic research projects eventually find their way into the public domain, where access is unrestricted. As we shall argue in chapter 5, the more tightly data are held, the less easily one can justify investing in their collection. Given the high cost of collecting data that are reliable, generalizable, and comparable over time, cost-efficiency will be hard to achieve without the payoff derived from the multiplier effects of broad access. In any case, if data on arts organizations are used to enhance the quality of foundation grant-making, or the wisdom of federal and state cultural policies, or the munificence of legislatures, there are few ways to exclude nonparticipating arts organizations from those benefits.

In other words, the question is this: *If high quality information about arts organizations is a public good, then, what factors influence the extent to which, and ways in which, the arts can solve this collective action problem?* Creating data as a public good requires that a field organize itself, or that an outside agency impose a system on it. In either case, some combination of incentives for participation and sanctions for noncooperation are required if it is to work. Another requirement (though it may seem so obvious as to be overlooked) is the ability to identify the relevant participants. More concretely, we can posit that the level of organizational data collection and analysis in any field reflects the capacity of organizations in that field to organize themselves to create the resource, which is a function of industry structure; the demand for such data from outside organizations with the power to gain compliance, which is a function of the structure of the industry's environment; and the degree to which membership in the public that will use the public good can be identified, which is a function of the extent to which the field is highly institutionalized or undergoing fundamental change. We shall look at these factors one at a time.

Capacity and industry structure. The arts sector is unusual among nonprofit industries in that it comprises a very large number of very small organizations, as well as a relatively small number of large institutions (Bowen et al. 1994: 123). Thus far at least,

the arts have experienced few of the trends towards merger and concentration that have reshaped such fields as commercial publishing or health care. Fields with large numbers of small organizations are less able than others to solve collective-action problems, for obvious reasons, especially when the solution requires that all, or almost all, members participate.

Moreover, efforts to collect reliable data on arts organizations have foundered on the fact that many such organizations are simply unable to supply them. Compared to hospitals, universities, or even human-service organizations, the typical arts organization is small (Bowen, et al., 1994: 24), and therefore less likely to have specialized employees skilled in using and generating quantitative data. (The presence of such employees tends to lower the cost to the organization of participating in data collection systems and to increase its benefits, as organizations with such staff are better equipped to take advantage of data resources.) Moreover, in so far as it can afford skilled specialists of any kind, the small arts organization's mission impels it to invest more heavily in staff who are good at mounting productions, creating exhibitions or education programs, or raising private funds, than in staff who are good at (or have time to) maintain detailed records on staffing, finances, audience and programming. When pressure from increased competition and declining contributed revenues place an organization's survival at stake, the priority it places on participating in data collection efforts becomes yet lower.

Structural heterogeneity also makes it difficult for even many statistically sophisticated arts organizations to report reliable, comparable information. A chamber orchestra, for example, is likely to account quite differently for expenditures and revenues depending on whether it is a free-standing nonprofit organization, a subsidiary of a symphony orchestra, or part of a larger university structure. (That the problem is not insuperable is evident from the fact that heterogeneity is even greater in certain industries, like hospitals and higher education, where data systems are better.) Finally, as we shall see, even when arts organizations do everything correctly, their financial data may not be comparable due to differences in the conventions followed by the accountants who prepare their audited financial statements. For this reason, collecting reliable data, especially financial data, from nonprofit arts organizations requires a substantial investment in data-checking, conversations with respondents, and training.

Environmental structure and incentives. Data systems tend to emerge when pow-

erful organizations in the target organizations' environment want them and are able to create reporting incentives, and take a form that reflects the structure of that environment. Compared to the importance that many citizens place upon the role of the arts in society, or to their prominence in the media, or to their salience as amenities, the arts sector is very small by any financial measure. A recent estimate puts annual revenues for nonprofit museums and performing-arts organizations and live commercial theatre at $7.3 billion: about twice the amount spent on television and radio repairs, but just three quarters what we spend to clean, store, and repair our clothes each year (Heilbrun and Gray, 1993:8). Given that this figure represents less than one quarter of one percent of gross domestic product (GDP), it is small wonder that arts statistics have not kept up with statistics on health care, which consumes well over one-tenth of GDP.

Equally important in determining the availability of data for a sector is its revenue profile and the extent to which organizations in the sector are funded or regulated by government. Organizations produce data when they depend upon outsiders who demand it. (Good financial data on publicly traded firms are widely available, because investors and government regulators require companies to supply it; information about such companies' human-service policies or R&D expenditures, and almost any information about companies that are not publicly traded, is much less abundant.) Similarly, as Netzer (1977: 1-2) noted, "the best Federal government economic statistics are those for particular sectors that have long been "clients" of the Federal government, with major, well-established Federal agencies devoted to their welfare." Information about universities and hospitals is relatively plentiful because these institutions have been heavily funded by government (directly and indirectly), which has consequently had sufficient leverage to impose more complex reporting requirements. (Coercion does not explain all differences among industries, however, for hospitals and universities collected more data than arts organizations when government's role in those industries was much smaller than it is today.) By contrast, the arts receive relatively few of their revenues from government, and more than most other nonprofits from charitable contributions. In most arts fields, donations are dispersed among many donors and institutions, who therefore lack the capacity to organize in order to make demands on the field as a whole. (Donors can, of course, make formidable demands on particular organizations, but these are restricted to the objects of their beneficence and, in any case, are rarely for participation in aggregate data

collection efforts!)

Finally, not only the intensity, but the nature of the relationship between government and the nonprofit sector, influences the kinds of data the latter make available (DiMaggio, 1983; Scott and Meyer, 1983). By "nature," we refer, first, to the modal type of interaction (funding, regulatory, cooperative); and, second, to the division of labor between federal and state government and to the degree of centralization or dispersion of responsibility at each level (Weiss and Gruber, 1987). Since the creation of Medicare and Medicaid, the federal government's role as a third-party payer and the explosive growth of health-care costs have placed it in a sometimes adversary relation to health-care organizations, and created an urgent need for data capable of informing cost-containment policies. By contrast, the federal government's mission in the arts has been primarily supportive and nurturing. By the 1970s, the public arts-support system in the U.S. had taken on what, by U.S. standards, might be termed a "corporatist" federal structure. The NEA and state agencies, which were often modeled on the NEA, made grants to arts organizations throughout the U.S., treating grantees as constituents organized around discipline affiliations.

At least three characteristics of the current arts-organization data system reflect the nature of government's role. First, the agency's largely cooperative relationship with, and responsiveness to, its constituents was reinforced by two factors: selection of program staff from the arts fields and turnover of most program staff at regular intervals, and the important role of disciplinary groups in supporting NEA and state arts agency [SAA] appropriation requests. (In addition, the fact that the arts constitute a public good rather than a policy problem has limited, though not eliminated, legislative demands for reliable data.) Consequently, the Endowment has not been in a strong political position, nor have program staff been sympathetic to, imposing onerous reporting requirements on its constituents.

Second, the agency's discipline-based program structure tended to reinforce the role of service organizations as the front line in data collection. (As we shall see, this system has had both benefits and costs.) Through its first two decades, the NEA organized most of its grant-making by discipline and, especially in the 1970s, actively supported service organizations. Because arts organizations eligible for membership in the service organizations were, in most cases, the same ones eligible to receive Endowment grants,

support for and encouragement of service organization data functions was a reasonable and cost-efficient way for the programs to keep track of their constituencies. (It is significant that the service organization for museums -- the one discipline type for which federal responsibility was fragmented among several agencies, which defined their constituent population in different ways -- has been the only major service organization that has not thus far taken on a regular data-collection role.)

Third, the strong ties and division of labor between the NEA and the state agencies made it natural for the former to rely on the latter when it did create a national system, and the centralization of responsibility for the arts at each level of government (at least compared to such fields as education or health care [Weiss and Gruber, 1987]) made it possible to create such a system effectively. The result was a system, the National Standard, designed to track grants, not organizations, though, as we shall see, it may prove sufficiently adaptable to serve as a foundation for an organizational data base.

Thus the current array of arts-organization data systems reflects the structure of responsibility in arts support in the American federal system: a strong division of labor between federal government and states, responsibility for the arts relatively centralized in single agencies at each level, and a generally cooperative and politically interdependent relationship between agencies and the fields they support. Such a structure leads to a strategy of mediation. Rather than collect data directly from arts organizations (or even use systematically data it has acquired through the application process), the NEA has worked through partnerships with discipline-based service organizations and SAAs. The result, as we shall see, is a data system that reflects the needs of service organizations and grant accounting rather than many of the needs of policy makers and policy analysts.

Institutionalization and change. It is difficult to create a public good unless the public that can produce and use it is self-conscious of itself as, and understood by others to be, a group. Even where the will to collect data exists, unless one can identify and enumerate the organizations from which data should be collected, it is hard to do so.

An enormous amount of bias in our view of the universe of arts organizations arises from the fact that it is easier to collect data on organizational forms that are well institutionalized than on organizations that do not fit cleanly into well established institutional definitions. This is true for several reasons.

First, it is easier to recognize an organization that fits an established institutional

form. Psychologists tell us that we think by means of prototypes and schemata, which are simple templates we use to recognize and interpret new information. Our minds also organize sets of prototypes into systems of classification, which help us to divide things into categories, and provide expectations about the relationship of one category to another. Experiments demonstrate that we recognize things that fit into our established system of classification more readily than things that do not. Indeed, when something inconsistent with our expectations comes into view, we are less likely to notice it and, if we do notice it, less likely to observe it accurately and less likely to be able to recall it later (D'Andrade, 1996; Zerubavel, 1997).

Institutions work the same way, but they are even more powerful than our personal cognitive filters for two reasons. First, people in a community share institutionalized understandings and therefore reinforce them in one another. Second, they are reflected in and bolstered by institutional arrangements that tend to standardize categories in reality as well as in our minds. When we speak of a type of arts organization being "institutionalized" we refer, then, both to cognitive and structural phenomena: An institutionalized organizational form is one that people recognize and take for granted, and also one whose definition is reinforced by a range of social forces that tend to standardize such organizations' structure and behavior. For example, if we say that museums are more institutionalized than neighborhood arts centers, we mean that most people can conjure up a clearer image of the former than of the latter; and also that museums, but not neighborhood arts centers, are served by an extensive apparatus of organizations that define and accredit them, provide pre-service and in-service training, and facilitate interaction among their staff. One implication of this is that, for all the diversity among art museums [which are less strongly institutionalized, for example, than public high schools, most structures and activities of which are mandated by law], they have more in common with one another than do neighborhood arts centers, which are affected by far fewer centripetal forces. More generally, the more institutionalized is an organizational field, the more similar the missions, programs, and structures of the organizations in it (DiMaggio and Powell, 1983; Scott, 1995).

Institutionalization influences organizational data collection in several different ways. First, it shapes our perception of the population of arts organizations and of what types of arts organizations are numerous and important. (Think about the phrase "arts or-

ganization" and see what comes to mind. We guess that you envisioned art museums, orchestras, theatres, opera, or dance companies first, and such newer forms as neighborhood arts centers, arts-education programs, collective galleries, performance art centers, and media arts organizations only second, if at all.) Because the established forms are more salient, attempts to define and gather data on the universe of arts organizations usually begins (and sometimes ends) with them.

Second, institutionalization shapes the ease with which one can find and count organizations. Strongly institutionalized fields tend to have service organizations that enumerate organizations of a given type, and well established networks among artistic professionals (and between those professionals and representatives of the press and of funding agencies) that increase the visibility of their organizations. Moreover, boundaries of well-institutionalized fields (e.g., the arts disciplines) are more likely to correspond with funding categories of private and public grantmakers; thus organizations in such fields are more likely to come to the attention of grantmakers and information about them is more likely to reside in grantmakers' files. Weakly institutionalized fields lack all of these things. Moreover, visibility is a function of size (other things equal), and poorly institutionalized fields are often characterized by particularly large proportions of very small organizations. Finally, strongly institutionalized industries maintain "definitions of what an organization is that render invisible those producers that do not adopt this form" (DiMaggio, 1987:196). There are no for-profit museums on most lists, because the official definition of museum promulgated by the National Institute of Museum Services and the American Association of Museums declares that museums are nonprofit organizations or public agencies. This definition excludes several hundred publicly accessible corporate collections and free-standing proprietary museums, which are no less museum-like for their exclusion (*Ibid*.: 198).

Third, because the boundaries of arts disciplines are much clearer than those of less institutionalized fields, it is usually much easier to decide whether something is a museum or a resident theatre than to decide whether it is a neighborhood arts center or an artists' organization. Therefore, when researchers decide what organizations belong (or do not belong) in their survey population, and decide how to categorize the organizations that do belong, most of the close cases will come from the less institutionalized forms.

Fourth, because organizations in well institutionalized fields are more similar than

those in less institutionalized fields, it is often easier to design appropriate data-collection instruments for the former (Netzer, 1977: 73). For example, a survey meant to collect data on a resident theatre can assume that it produces plays and, in many cases, that it does so regularly on one or two stages and that it is a free-standing nonprofit organization with a subscription audience. By contrast, a survey of local arts agencies (which are becoming more well institutionalized, but still less so than theatres) must first distinguish among several governance arrangements (private, public, private but designated to perform certain public functions) and ascertain which of many possible functions the agency in fact carries out.

Fifth, even in the disciplines, organizations vary in the degree to which they adhere to institutionalized definitions of an organization type. In general, small organizations are more heterogeneous than large organizations (Netzer, 1977: 73). (Small theatres or orchestras or choruses are less likely to be clearly "professional" than large ones, are more likely to be subsidiaries of larger organizations, including non-arts organizations, than large theatres, orchestras or choruses, and may be more diverse in other ways as well.) Therefore, many of the points we have made about less institutionalized arts fields also apply to small organizations in well institutionalized fields.

All of these things lower the cost of surveying highly institutionalized organizations and raise the costs of studying less well institutionalized forms. Large organizations in well-institutionalized forms are cheaper to find, easier to recognize, easier to classify, and cheaper to contact, and they can be surveyed with less complicated instruments. (Moreover, because they are larger and have more technical staff, they will provide more reliable data with fewer follow-up calls.)

Thus cognitive factors make organizations in the standard arts disciplines more visible while economic considerations make them less expensive to study. Put these together, and we find a powerful source of bias in research on arts organizations. As this discussion would lead us to predict, we shall see in chapters 2 and 4 that we have much better data on large arts organizations than on small ones, and on organizations in established disciplines than of arts organizations in less institutionalized forms.

Such bias is enough of a problem in stable times, for it leads to data systems that provide distorted views of the nature and distribution of organized artistic activity in our society and our communities. But when the arts industries are undergoing rapid change, as

they appear to be today, the impact of such bias can be disastrous, for it blinds us to the challenges and opportunities that accompany such change. (As we shall see in chapter 3, this point was emphasized by many of the men and women interviewed for this project.) Institutional change presents a classic chicken-and-egg problem. We cannot understand the magnitude and character of a change unless we can measure it. But we cannot measure a phenomenon until we know where to look for it. And we cannot know where to look for it until new forms have become sufficiently standardized and well-established to be accessible to researchers. We describe this problem, which we encountered in the research for this report, in chapter 4, and suggest some solutions in chapter 5.

The factors that make institutionalized arts fields easier to study than less institutionalized ones also help to explain why data resources on arts organizations are relatively poorer than those for other nonprofit service industries. Compared to universities or hospitals, for example, arts organizations are more heterogeneous and less well institutionalized. A higher proportion of arts organizations than of universities or hospitals fall between disciplinary cracks. The category "arts organization" comprises far more varied organizational forms than do the categories "higher educational institution" or "hospital." Professional training is less standardized in the arts than in education and medicine, and licensing and credentialing systems are absent or weak. And there are far more organizations of very small size and very low levels of activity.

Summary. We have inadequate data on arts organizations because the arts are relatively weakly institutionalized (and different types of arts fields vary greatly in institutionalization), because there are very large numbers of very small arts organizations, and because arts organizations are less dependent on government or other external agencies than are most nonprofit service-providers. Each of these factors makes it difficult for the arts field to organize itself to produce adequate levels of high-quality data, because each increases both the cost of data collection and the difficulty of gaining high levels of cooperation from organizations from which data are sought. In chapter 5, this analytic framework will point both to specific problems that any new system for data-collection must address and to tentative solutions to some of these problems.

Lessons from Previous Research

Given the broad consensus that information is central to rational management and policy

making and that reliable time-series data are necessary for purposes of planning in both organizations and governments, and given the ubiquity and frequent use of official data in almost every policy field, a review of the literature revealed remarkably little research on such systems. No doubt, some valuable unpublished reports reside in file cabinets around the country; but few papers have been published in the scholarly and applied journals indexed by such systems as Folio, Sociofile, Econlit, and the Nexis medical journal data base. There are some useful insights to be gleaned, however, from a few papers on arts data, from work on data systems in other fields, from more general analyses of the role of information in decision making, and from methodological research on identifying populations and creating samples of organizations. We review each of these here.

Research on arts data. At the beginning of this chapter, we cited several researchers who surveyed the field of statistics on arts organizations only to find it relatively barren. Although we cannot extrapolate observations about the quality of particular data sources in earlier years to the present, due to changes over time, we can conclude from the earlier work that existing sources are of limited value for compiling time series that extend back beyond 1980 (and of no value for the kinds of generalizations about change for which random samples are required).

An ambitious study of data on arts organizations by Samuel Schwarz and Mary G. Peters (1983) as part of their study of growth in the arts during the 1970s identified several problems that made their quest for reliable data more difficult. One, the absence of a "widely accepted taxonomy" to "create mutually exclusive types of organizations" (11), has been in large part resolved, with two workable alternatives. These include the multifield approach used by the National Standard and the simpler taxonomy of the National Center for Charitable Statistics, which has been adopted by the IRS. Another, the problem of identifying and collecting data on arts groups that are part of such larger organizations as universities and community centers, is as obstinate as ever. The authors also noted problems with the quality of financial reporting, especially on nonoperating funds. Although they were optimistic about the contribution of accounting standards to improving financial data, we shall see that despite such improvements as may have occurred, financial data remain less reliable and comparable than one would like. (As evidence of this, a forthcoming study by Froelich and Knoepfle reveals sharp discrepancies between financial data reported on IRS 990 and by the reporting organizations' own audited financial

statements.)

Some researchers have attempted relatively recently to evaluate the completeness of different sources of information on arts organizations. Grönbjerg (1989) sought to enumerate all of the nonprofit organizations in Chicago. After consulting a variety of sources, she concluded that lists produced by state and local arts agencies (based largely on grant applications) were the most useful sources.

A potentially important resource for studying nonprofit organizations is the IRS Business Master File (BMF), which contains the names of approximately one half million entities incorporated under section 501(c)(3) of the Internal Revenue Code (the section pertaining to public charities) (see chapter 2). But this source excludes many small organizations and does not purge defunct organizations systematically from its lists, so many have wondered how many of the organizations it includes are in active operation. In 1993, Bowen et al. (1994) tracked down 290 Manhattan performing-arts organizations that were listed in the 1991 BMF but not required to file returns because they claimed less than $25,000 in gross revenues. Using telephone books, directories published by arts service organizations, and visits to street addresses, the research team discovered that only 22 percent had been active in 1991.

Schuster (1994) reviews several instances in which cultural indicators were collected for purposes of policy analysis, and makes several points worth bearing in mind about the collection of potentially sensitive data elements. First, data tend to focus attention: If a program or project has several goals, collecting data relevant to just one of these goals may lead that goal to assume a greater importance than it should. Second, when organizational respondents perceive indicators to be linked to access to resources, they will often find ways to optimize their scores on such indicators in ways that the policy makers who designed the survey did not have in mind. For this reason, many policy-relevant "indicators" have a limited half-life, serving as indices in the intended manner only until respondents figure out a way to get around them.

Two earlier studies commissioned by the NEA Research Division addressed directly some of the issues covered in this report. Netzer (1977) reviewed data on performing-arts organizations with the aim of informing the construction of an economic data series. Many of his observations about particular data sources are by now out of date, but many of his broader conclusions remain timely. He argued that data on arts organizations were

inadequate not because there were too few of them, but because they tended to be "inaccessible, not comparable with one another, hard to interpret, or of doubtful statistical reliability" and because "there were strategic gaps in the coverage of the data." His conclusion called attention to an issue that remains significant: the cost-efficiency of a system that invests many resources in the production of a great many numbers without coordination or collective planning. As we shall argue, a key aim of any data system must be to maximize cost-efficiency without sacrificing the flexibility that the current decentralized system affords.

Netzer interviewed policy makers and grantmakers about their data needs (36). Some of their recommendations were similar to those of the men and women we interviewed. They called for better information on attendance and audiences, detailed financial data on arts organizations, projections of the future financial status of the arts, information on small arts organizations, information on minority participation in the arts, and data that are more current and "more intelligible to the unsophisticated." Other problems he identified appear to have been addressed effectively over the past two decades. There are now, for example, much better data available on grant making by public agencies and private foundations, the NEA Research Division and others have produced reports on the geographic dispersion of arts activities and on self-employed artists, and economic impact studies have become familiar instruments of advocacy.

Netzer's criteria for a good data system remain pertinent. A data series on arts organizations, he argued, must permit comparison over time, must extend beyond financial data (narrowly defined) to include information on the products and audiences that give the arts their social value, must cover a wide group of respondents, must be accessible to potential users, and must avoid undue burden on respondents by piggy-backing new questions on existing surveys or compiling already available data whenever possible. Although Netzer viewed data on major disciplinary arts organizations as the primary focus of such a system, he also called for data collection from smaller organizations and those outside the major disciplines, but suggested that such information might be based on samples or collected at five-year intervals to reduce costs.

The authors of an *Economic Data Series Feasibility Study* (Informatics, 1980) developed and conducted a pilot survey of twenty-three nonprofit arts organizations near Washington, D.C. The report drew three important lessons that remain timely. First, the

sine qua non for developing time-series data on arts organizations is data quality. Because the success of any data-tracking system rests on its credibility, and because its credibility rests on its validity and reliability, compromises on quality can undermine the entire project. Second, and consistent with our earlier comments on the collective-action problem, any successful research process must minimize respondent burden and keep respondent motivation high by communicating effectively the purpose of the research and the collective payoffs that it will yield. Third, the authors noted a tension between the ability of a survey instrument to elicit high-quality data and the number of kinds of organizations to which it is applicable. The most general questions about structure and activity often failed to capture significant differences among organizations, and questions specific enough to capture the information the researchers sought did not apply to different kinds of organizations. Consequently, the authors recommended reliance on several different survey instruments to be administered to different populations or samples.

Research on indicators in other largely nonprofit service industries. Although national systems for collecting data on service-providing organizations are a standard part of the artillery of policy analysts, planners, advocates, and management educators in most of the nonprofit service industries, relatively little published research is available on data-collection systems themselves. Nonetheless, some of what exists is illuminating.

Data on the health care system are especially plentiful. There are two rather different systems within the health care industry, one focussing on providers and serving the industry itself and potential investors; and another focussing on cases and serving the interests of government regulators, insurance companies, corporate health-care consumers and others concerned about reducing cost and utilization of medical services.

The major source of information on hospitals is the American Hospital Association's (AHA) annual report, *AHA Hospital Statistics*. AHA fields an annual survey consisting of twelve pages of closely packed questions on governance, organizational structure (including ownership of subsidiaries), facilities maintained, services provided (eighty-three choices, distinguishing for each between provision by respondent and provision by contractor to respondent) and clients served, allocation and utilization of beds, financial data (broad categories, detailed information on patient service revenue, and separate fields for general funds and capital accounts), and detailed staff information. The survey form includes 11 pages of detailed instructions with 229 separate definitions (AHA,

1993: 242-69).

The AHA annual survey is sent to all U.S. hospitals, including those that are not members of the AHA. In 1992, 6092 hospitals responded to the survey. Response rates ranged from 82.7 percent for hospitals with fewer than 25 beds to just over 95 percent of hospitals with 300 or more beds. The survey has suffered from attrition in participation by investor-owned hospitals: 75.6 percent of these completed responses as compared to 95 percent of private nonprofits and more than 90 percent of government facilities (AHA 1993: xxxi-xxxii). (As economic theory would predict, for-profits are less willing to invest in the production of the collective good of information.)

The AHA has surveyed hospitals for many years, and one of the attractive qualities of the data base is its utility for over-time comparison. *Hospital Statistics* contains time series that originate as early as 1946.

In addition to the Annual Survey of Hospitals, which is a universe survey, the AHA conducts a monthly National Hospital Panel Survey of a representative sample of community hospitals, aimed at noting seasonal fluctuations and short-term trends in staffing, financing, and utilization (AHA, 1993:xix). Data from both surveys are available in machine-readable form from the AHA, although some confidential data on revenues are excluded.

Although the AHA research program is particularly thorough, other service organizations routinely survey their members. For example, the American Association of Health Plans (an association of health maintenance organizations [HMOs] formally called the Group Health Association) has surveyed its members for several years.

Other research on hospitals and health care organizations is carried out by organizations with an interest in monitoring or controlling the health care industry. Health Care Investment Analysts, Inc., a commercial organization, sells Medicare cost data on all the hospitals in the United States. Some states compile and make available financial data on hospitals on an annual basis; California, Maryland, and Florida have especially well developed information systems of this kind. HMOs file regular reports with state insurance commissioners, and these reports are compiled and made available to researchers by the federal Health Care Insurance Agency (Gray, 1991).

In part due to a long history of accreditation dating back to 1952, reinforced by reporting requirements associated with Medicare from the 1960s, many hospitals have soph-

isticated information systems, in many cases boasting a "Chief Information Officer" among their job descriptions (Luce, et al., 1994). Indeed, in 1993 the Joint Commission on Accreditation of Healthcare Organizations added eleven "benchmarks for organizing information" to its accreditation manual (Bergman, 1993:68). A long-term trend in the collection of data for purposes of cost containment and regulation is a shift from aggregate organizational to case-based information systems. At first, this shift took the form of "standardized outcome-oriented" surveys of selected types of cases. More recently, demands for case-management information have increased and physician profiling has been added to the artillery of data-collection techniques (Luce, et al., 1994).

Reactions to this experience from the arts community might well range from envious (on the part of data users) to relieved (on the part of hard-pressed arts organizations for whom the very notion of employing a "chief information officer" is entirely fanciful). But there are some points of relevance. For one thing, efforts to collect information from healthcare organizations have often been met with strong opposition, often intractable but sometimes overcome by intense efforts to educate potential respondents about the value of the data for which they are being asked, or the threat of coercion. (Pennsylvania law makes executives of noncompliant hospitals subject to criminal prosecution, and major corporate healthcare purchasers in some cities have joined ranks to demand that hospitals cooperate in their efforts to gather cost information.) (Overman and Cahill, 1994). Models of coalition-building to support local data-collection projects in cities like Cleveland, where an alliance of employers, hospitals, and doctors worked together to develop high quality hospital data, may be relevant to the arts (where data collectors, lacking sticks, are in particular need of carrots) (Bankhead, 1991). Moreover, although the client relationships of hospitals and arts organizations are anything but closely analogous, the great interest among those we interviewed for this project in an "activity-based" approach to gathering information on arts organizations may render the experience of health-care organizations more relevant than immediately apparent.

Higher education is another field for which over-time data on central service-providing organizations is more available than in the arts (National Center for Educational Statistics, 1995). The Integrated Postsecondary Education System (IPEDS) has been collecting data annually since 1986. This survey, carried out by the National Center for Education Statistics [NCES]), polls 11,000 colleges, universities, and post-secondary

vocational institutions. (IPEDS supplanted the Higher Education General Information Survey [HEGIS], which was created in 1966. For some purposes, IPEDS and HEGIS data can be combined to yield time series on colleges and universities that extent back to that date.)

IPEDS integrates information from eight separate components, including surveys of institutional characteristics and instructional activity, fall enrollment (including age and residence), enrollment in occupationally specific programs, completions, finance, staffing, faculty salary, and academic libraries. The survey components, which are administered separately, yield high response rates, ranging from the high 80s for financial statistics to 97 percent for the fall enrollment survey. Tabulations are published annually in the *Digest of Education Statistics*, and data are made available for secondary analysis by researchers.

Although IPEDS is the most elaborate survey of colleges and universities, it is not the only one. Several surveys make it possible to combine data at the organizational level with data aggregated by organization on students or faculty. The National Postsecondary Student Aid Study, also carried out by NCES, collects information on 70,000 students at 1130 institutions. The National Survey of Postsecondary Faculty, conducted by NCES with support from the National Science Foundation (NSF) and the National Endowment for the Humanities (NEH), includes surveys of 480 institutions, 11,000 of these institutions' faculty, and 3,029 of their department chairs.

NSF also compiles several data sets on universities or their students, including its survey of doctorates, its survey of grants and contracts to universities and colleges from fifteen federal agencies (which uses the IPEDS universe definition) and its sample-based Survey of Scientific and Engineering Expenditures at Universities and Colleges.

Research on the compilation and use of statistics. Research on the ways in which external factors influence the collection and use of data may be helpful in designing a system that can meet as many as possible of the needs of the arts field. Researchers who have studied statistical systems at close quarters emphasize the multiplicity of forces that stand between statistics and the things that they are meant to measure. "Official statistics," write William Alonso and Paul Starr (1987:1)

> do not merely hold a mirror to reality. They reflect presuppositions and theories about the nature of society. They are products of social, political, and economic interests that are often in conflict with each other. And they are sensitive to methodological decisions made by complex organizations

> with limited resources...They echo their past as the surface of a landscape reflects its underlying geology.

In particular, argues Starr (1987: 41, 53), decisions about what to measure and the categories used to measure it are inevitably political, in the broad sense of subject to debate on the basis of differences in interest and perspective. First, to measure a phenomenon is to "confer recognition that the phenomenon is real"; measurement can make visible weakly institutionalized organizations or processes which are otherwise invisible. Many of the men and women interviewed for this project emphasized that the role of the arts in society is changing and that any data collection system must capture the kinds of organizations and activities that current data collection efforts fail to pick up. Second, the categories governments use to classify phenomena "enter the language of administration and shape both private and governmental decisions." Merely providing information about organizations of a particular kind increases the probability (though it hardly creates a certainty) that such organizations will become the focus of policy studies or grant making efforts.

Weiss and Gruber (1987) provide an unusually thorough discussion of one national data system, the *Common Core of Data* that the National Center for Education Statistics collects about U.S. public school districts. Weiss and Gruber explain the paradox that the NCES Common Core data were relevant to virtually none of the important policy debates that engaged educational policy makers for two decades as a result of two features that tend to weaken the capacity of the NCES to gain the compliance necessary to collect policy-relevant data. First, the fragmentation of control over elementary and secondary education among federal, state, and local government, and within the federal government, increases the coordination costs involved in gaining agreement to add elements to the system and weakens the influence of NCES relative the states. Second, the absence of consensus among the community of policy makers about what aspects of public schools do make a difference (and therefore which ones must be measured) ensures that these divisions cannot be papered over with a "technocratic fix." Part of the problem -- and one that is surely relevant to the selection of elements for a system of data on arts organizations -- is that "education policy is largely preoccupied with things that are hard to measure in a standardized fashion" (387). Like Alonso and Starr, Weiss and Gruber emphasize the necessarily political quality of decisions about data: "Participants in the policy process

prefer the collection and distribution of statistics that show them to their relative advantage. This preference is not venal or malicious, and any voluntary statistical system must take it into account" (391).

Other studies have demonstrated that data are used for a range of symbolic purposes as well as for formal analytic purposes. Langley (1989) reports that just over half of the formal analyses carried out in three large organizations in which she conducted field work were undertaken to gather information useful for decision making. Others were undertaken in order to communicate persuasive information to managers, to require managers to focus their attention on particular problems, and to symbolize the organization's commitment to rationality and willingness to address an issue. Feldman (1989) made similar observations about the use of formal analysis in the U.S. Department of Energy.

This pattern has been found among arts organizations as well. Cameron (1991) reports that most of the local arts nonprofits she studied conducted or planned to conduct some sort of audience survey. Many of these, she writes, were "clearly badly designed and interpreted" but "technical concerns didn't seem to be an issue. What was important was [that] they had gone through the exercise as a demonstration of good management." In an NEA-sponsored study of arts organizations' use of audience research, DiMaggio and Useem (1980) reported that the impact of research on decisions was characteristically marginal and indirect, that most studies had both political and instrumental applications, and that approximately one third of all applications cited in interviews were political or symbolic.

Research on methodological aspects of organizational data-collection. In the 1980s, the National Science Foundation commissioned a series of studies aimed at developing approaches to the problem of sampling from populations of organizations. Because there are no national lists of organizations, research on organizations had suffered from the absence of samples upon which generalization could be based. The NSF initiative sought to solve this problem. Work by the researchers whose studies it supported is relevant to the comparable problem of defining and identifying the universe of arts organizations.

Pilot studies analyzed the relative quality and biases of different approaches to identifying populations. (See chapter 4 of this report for a similar study.) The most

elaborate study used the White Pages, Chamber of Commerce directories, unemployment insurance forms, Dun and Bradstreet's Market Identifier files, and a direct enumeration by researchers who drove down every street and visited every mall and office building, to list all of the businesses in Durham County, North Carolina (Kalleberg, et al., 1990). They found that the most complete approaches -- direct enumeration, which was the only approach that captured new organizations, and telephone directories, which, like enumerations, were relatively unbiased with respect to size, and which were most representative by company industry -- were also the most expensive. (Direct enumeration would, of course, be even less cost-efficient for identifying relatively rare entities like arts organizations. The cost of telephone directories as a source has declined as more of them are available on compact disk, and keyword searches of machine-readable telephone directories may be a useful supplement to the approaches described in chapter 4 for compiling lists of arts organizations for local community studies.) Chamber of Commerce data were poor in coverage. The Dun and Bradstreet data, though relatively expensive to purchase, and the Unemployment Insurance information performed better. (The D&B data are biased towards larger organizations and their coverage of nonprofits is poorer than their coverage of for-profits. The U.I. data are probably similarly biased, and gaining access requires negotiation with state unemployment agencies.)

In their conclusion, the researchers argued that none of the approaches was adequate and recommended an entirely different technique, based on surveys of individuals, called "hypernetwork sampling" (McPherson, 1982; Spaeth, 1985). NSF followed this recommendation when it funded a National Organizations Survey in 1992. The researchers asked respondents to an ongoing national sample survey to report the names and addresses of their employers and of those of their spouses. This generated a sample of organizations in which each employer could be included with a probability roughly equal to the share of the labor force that it employed. A separate NSF-funded survey was then administered to the organizations identified in this way (Kalleberg, 1994; Spaeth and O'Rourke, 1994).

The relevance of the National Organizations Survey project to the topic of this report is twofold. First, we agree with the diagnosis reached by the committee of experts that NSF assembled: The fundamental problem in organizing reliable information about organizations (in the arts as in every other field) "is the absence of a complete sampling

frame" (ibid.: 873). Until researchers have a basis for sampling, we will never be able to interpret the data we have. In chapter 5, we will emphasize the role of a national statistical system for arts organizations as a solution to this problem.

Second, we find the use of hypernetwork sampling an intriguing possibility for local studies of arts organizations, as a means of generating a list of arts organizations selected with probability proportional to the size of their local audience or client base. (The method might also be used to generate a national sample of arts organizations, but we regard it as no substitute for a systematic population list of the sort recommended in chapter 5.) Hypernetwork sampling could be useful both as a supplement to other approaches to compiling a local universe list (as a way of combating sources of bias that render certain types of organizations invisible, perhaps through oversamples of ethnically or racially specific communities). It could also serve to generate a useful sample of organizations in areas without the resources to develop comprehensive population lists. Perhaps most exciting, hypernetwork surveys that tap respondents' relationships to artists as well as to organizations provide the means of integrating information about organizations, artists, and audiences in a given community. Before employing this approach on any large scale, however, pilot research would be required to assess the ability of respondent screening to render surveys cost-efficient as sources of information on arts organizations (because of the skewness of attendance) and to establish the extent to which people recollect sufficiently their arts activities to provide sufficiently detailed and specific identifying information to permit follow-up surveys of arts organizations whose programs they have attended.

Organization of this Report

The original research undertaken for this report consists of three major phases or subprojects. The results of each are presented in a separate chapter.

The next chapter (chapter 2) describes the most important data sets on arts organizations currently collected. These include information collected by such service organizations as the Theatre Communications Group (TCG) and the American Symphony Orchestra League (the League); data sets compiled by public agencies, of which the National Standard maintained by the National Assembly of State Arts Agencies (NASAA) is by far the most important; and data collected by agencies that are not primarily concerned with the arts (e.g., the Internal Revenue Services, which maintains files of Form 990 returns

required annually from nonprofit organizations with $25,000 or more in expenditures, or the Council on Foundations, which maintains records on grants from private and corporate foundations to nonprofit arts organizations). We ask similar questions about each data set: For what purposes has it been created and how is it used? What is the population of organizations to which its findings are meant to be relevant? From what set of organizations are responses sought and what is the rate of response? What kinds of information are requested? How do researchers assess the reliability of responses, especially to financial questions, and what efforts are made to improve reliability? How comparable are data from different respondents and over time? To what extent are results or data made available to the policy and research communities, in what form, and with what conditions?

Chapter 3 reports the results of semi-structured interviews with 62 men and women with serious interest in data on arts organizations. The people with whom we spoke come from a range of backgrounds. Some are grantmakers in the private or public sectors. Others work with arts service organizations. Others are consultants or university-based researchers who have worked extensively with data on arts organizations. Some work primarily with relatively established arts organizations in one or more of the major disciplines, whereas others work primarily with small and emerging organizations associated with communities of color. This chapter describes the data they use today and the purposes for which they use it, the data they would like to have available (and why), and their opinions on the type of organizational data system that would best suit the needs of the field.

Chapter 4 reports the results of a comparison of the utility of different sources of data for identifying populations of arts organizations in metropolitan areas. With the help of local partners and data specialists of many kinds, project researchers acquired and collated lists of nonprofit arts organizations in each of three metropolitan places: Dallas-Fort Worth; Minneapolis-St. Paul; and Philadelphia. Six different lists were compiled: nonprofit arts organizations included in the IRS 990 data base for each area; organizations included in the National Standard data base; organizations listed in the files of a national service organization or in the *Official Museum Directory;* organizations listed in local directories of arts organizations compiled by local arts agencies or similar entities; organizations included in statewide lists not generated from the National Standard; and

organizations mentioned in samples of entertainment listings in the local press. These lists were merged together with the object of accomplishing as complete as possible an enumeration of arts organizations. Where possible, limited information about each of the organizations included was collected with the help of local informants, who also assisted in purging the lists of ineligible or defunct organizations.

Chapter 4 includes two kinds of analyses that will be useful to readers contemplating community studies that include research on arts organizations. First, we report comparative quantitative analyses of the degree of inclusivity and types of bias in each of our major data sources for each of the three metropolitan areas. Second, we discuss qualitatively the formidable methodological challenges that we encountered in undertaking this enumeration, challenges ranging from ambiguity in the definition of arts organization, incomparability in the meaning of professionalism in different forms, variations among arts producers in organizational structures, and variations in the visibility of large and small, highly and weakly institutionalized, and majority and minority-community-based organizations.

Chapter 5 presents our conclusions and recommendations. Drawing both on the theoretical framework presented in this chapter and on the research results reported in chapters 2 through 4, we propose a general framework for data collection, based on the values of feasibility, flexibility and cost efficiency, that entails public/private partnerships to produce: 1) a comprehensive national enumeration of arts and cultural organizations, capable of generating comparable information over time on the composition of the U.S. arts-organization population with respect to discipline, program emphasis, location, and size, facilitating analyses of rates of creation and dissolution of different kinds of arts organizations, and serving as a high-quality frame for purpose-specific stratified random sampling; 2) ongoing data collection on arts disciplines, where appropriate, using the national sample frame just described, in which service organizations continue to play a major role; 3) ongoing research in selected communities with strong local initiative and access to research infrastructure to address such cutting-edge research challenges as identifying arts organizations that elude the national net; capturing the full range of arts activity that is not associated with arts organizations; modeling arts activity as a system in which organizations, artists, and audiences all participate. In discussing each of these three components we identify alternative approaches to implementation and discuss their

strengths and limitations.

There is, of course, substantial room for discussion, as well as uncertainty that modest additional inquiries can resolve, about the best way to undertake a program of this kind. But we have encountered encouragingly broad agreement with the overall framework described here. Most agree on the need for better data on organizations to inform planning, policy making, and advocacy; the importance of producing an unbiased national sample frame; the need to define "arts and cultural organizations" broadly and to move towards a system that emphasizes activity rather than organization *per se*; and the need for strong partnerships among public agencies at the federal, state and local levels; private philanthropy, including independent, community, and company foundations; arts service organizations and their constituents; and university-based researchers to achieve these goals. To be sure, the perfect data set will remain unattainably costly. At the same time, we are currently so far from that ideal that substantial incremental improvement would seem to be very much within reach.

Chapter 2: Existing Data Collection Systems

This chapter reviews national data collection systems currently operated or under development by arts service organizations, including, in this order, systems organized by the American Symphony Orchestra League (the League), Chamber Music America, Dance/USA, the National Jazz Service Organization (NJSO), the American Association of Museums (AAM), the Association of Art Museum Directors (AAMD), OPERA America, and the Theatre Communications Group, Inc. (TCG).[1] For each system, this summary discusses:

- population definition and completeness of coverage of eligible organizations;
- the purposes of the data collection and the ways in which the data are used;
- the time period over which the data have been collected, and the frequency of collection;
- the reliability of the data, including the means taken to confirm the accuracy of organizational self-reports;
- comparability of the data over time and suitability for establishing trends; and
- policies governing access to the data by policy makers and researchers.

Appendix 3 includes a copy of each organization's most recent survey instrument, so that readers may see exactly which data elements are collected.

Following the summaries of the data collection systems of the various service organizations is a review of other possible sources of arts data, including the NEA; the National Standard; IRS Form 990s; the Council on Foundations; plus a note on the possible development of an electronic application that would enhance data collection.

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[1] Our thanks to representatives of the AAM, AAMD, the League, Chamber Music America, Dance/USA, National Jazz Service Organization, OPERA America and Barbara Janowitz (formerly of TCG) for their invaluable input into this section.

American Symphony Orchestra League

The American Symphony Orchestra League (the League) is a membership association open to any orchestra that applies for membership and can pay the dues. Approximately 860 of the estimated 2200 American orchestras belong to the League, according to Catherine French, the League's President. Membership includes all of the major orchestras, most of the regional ensembles, and lesser proportions of smaller orchestras. The majority of orchestras that are not members, Ms. French reports, "we assume are fairly small....We have about 180 youth orchestras in our membership, and that's not the entire universe by any means. There are a number of college orchestras and "town-gown" operations, and there are very small community orchestras that are not in our membership." Ms. French adds that "We don't have standards *per se* for membership," but notes that an ensemble without a conductor would probably define itself as a chamber group, rather than an orchestra for the purposes of joining a service organization.

Scope of research. The League has gathered financial and operational data from its member orchestras since 1946. The result of its annual survey of its members is the Orchestra Statistical Report. Participation is voluntary, and the response rate for orchestras with total expenditures over $275,000 is approximately 75 percent of members, which represents about 90 percent of all in that budget class. The response rate for those with budgets less than $275,000 is about 20 percent of members.

The League carries out several other member surveys, as well. There is an annual staff compensation survey. There is an ongoing labor agreement survey for which orchestras negotiating new contracts send information to the League, which updates reports regularly. There are a variety of surveys done for the largest orchestras in the areas of repertoire, fund raising, marketing, education programs, data processing, and other topics. In addition, the League conducts surveys on such special topics as touring and youth orchestras, and policies and procedures.

Population coverage. The League collects data from all members annually for use in its Orchestra Statistical Report. French reports that they usually have about 43 percent orchestra response rate from that survey. According to Heather Dinwiddie, the League's Director of Information Resources, the response rate of nearly 75 percent for larger orchestras assures that they cover "the bulk of economic activity of orchestras in this

country. We feel very confident that when we extrapolate, we are representing that group of orchestras." League dues are assessed by budget size as well, so even non-participants report total budget and artistic personnel expenses.

Ensuring reliability. The League requires the orchestras to send in their audited financial statements to increase the data reliability of their collection effort. Says Dinwiddie, "If the numbers don't match, we question them. For the labor contract surveys, we ask for Master Agreements." If Dinwiddie sees problems with the data, she checks them again. French points out that League personnel have long experience in checking errors in data. "Besides," she says, "there are logic checks in the program that's used. If somebody says an orchestra has $50,000.00 worth of pops concert income but reports no pops concerts, a flag gets raised."

Use of data. The data are used within the League and by the member orchestras in many ways. They are maintained as a database, with data available to members in almost any form they request. The orchestras use the data for planning, and to answer the question: "What do other successful orchestras this size and in this situation do?" The data are also used for advocacy.

Comparability over time. In the database, the survey groupings (by total expenses) of League member orchestras do not change much year to year. Dinwiddie says that "We review it every year, but there's very little movement between groupings." To make comparisons over time, one could turn to the groups used by the model developed in the Wolf Organization study of 1992. At that time, Dr. Wolf categorized orchestras based on their then-current groupings, determined by budget size. Those orchestras have stayed in those groupings for purposes of analysis, regardless of any changes in their actual expenses over time.

Possible new directions. Asked what data elements the League currently does not collect but would like to, Dinwiddie says, "We are most interested in collecting data on marketing, sales, and pricing."

Access. Access to League data is generally limited to its participating member orchestras. In some cases, data are grouped and the data are published in summary form. *Bona fide* researchers may seek access to the League's database. They must submit a written request, which is presented to a research advisory committee. The League is prepared to cooperate if somebody has a focused research project, but there may be certain

restrictions placed on the researcher. A written information release policy is available on request.

Chamber Music America

Chamber Music America (CMA) has a membership of chamber ensembles and musicians. Unlike most of the other service organizations, it includes ensembles that are not incorporated as nonprofit organizations under section 501(c)(3) or the Internal Revenue Code. CMA operates no regular data collection effort at present. Dean Stein, CMA's Executive Director, reports "We did one very broad survey about four years ago. And the financial part of the data was pretty unusable, just because it was completely incomparable from one organization to another. There is no one in these organizations that has the time to fill out this kind of information." The purpose of that study was to track trends in the field and inform fund-raising and public-relations strategies. The intended audience was CMA's members, the press, and the funding community.

CMA's varied constituency makes research difficult to conduct. Whereas symphony orchestras are nonprofit organizations with audited financial statements, states Stein, "Our field is completely heterogenous; there's apples, oranges, cantaloupes, so everyone is structured differently. A huge percentage are not non-profit so they have no reason to keep financial records in the way we might want them."

Thus, according to Stein, the data collection effort is in a preliminary stage. "We haven't figured out a structure that makes collecting the information easy enough for the participants to fill out, so that we can actually collate it into any usable format." If Chamber Music America were to undertake another data collection effort, it would seek audience information, financial data about the organization and the individual artists involved, and information about repertoire and activity.

The 1992 report is available on request. Titled *Chamber Music in America*, it presents data on type and location of chamber music ensembles, their organization, finances, performance activities and repertoire. It also includes data on chamber music presenting organizations.

Dance/USA

Dance/USA is the service organization for the professional dance field, including in its membership approximately 120 dance companies. It defines the field broadly to include groups devoted primarily to ballet, modern dance, and ethnic dance traditions.

Scope of research. Dance/USA's regular research is carried out under contract by John Munger of Arts Management in Minneapolis/St. Paul. Other research may be undertaken from time to time on a project by project basis. Dance/USA regularly conducts two annual surveys, a Data Survey and a Personnel Compensation Survey. During the 1993-94 fiscal year, Munger carried out a Census of Dance Companies. In addition, Dance/USA collects data on more specific topics. This year, for instance, Dance/USA collected information on ticket sales for Nutcracker performances from about twelve companies. A few years ago, they collected data from touring companies and dance presenters, and produced a study that became the basis for the American Dance Touring Initiative. (This is a privately-funded program to encourage touring.) They have also conducted a study of dance in public education in America.

Population coverage. The Census of Dance Companies was an effort to establish the boundaries of the population of dance companies as a whole. Munger identified and confirmed the existence of approximately 700 dance companies active in all dance genres in the United States. Of these 700, the largest number perform what can be described as "modern dance." The number depends, of course, on how one defines a "professional" dance company and, as Munger reports, "A single, unified, specific, concrete definition of what constitutes a professional company, does not exist." Rather than start out with a rigid definition, the researchers tried to create an inclusive list of what Munger calls "dance entities." Munger hopes to update the Census, which exists only as a Lotus database on diskette, in the near future.

In compiling his inventory of the dance entity population, Munger used mailing lists from regional arts agencies as his primary sources. He telephoned each organization on these lists over a period of eighteen months, and asked them for the company name, address, budget size, and number of dancers. Munger called these companies repeatedly until he reached a general manager or other staff member who could answer his questions. He reached approximately 850 companies, of which some were dance schools or other non-performing organizations. In other cases he persisted until he contacted an informant who confirmed that the organization was defunct or until all reasonable efforts to track

them met a dead end. Of the companies contacted, "depending on how hard-nosed your definition is, there are between six hundred and seven hundred companies that somebody is going to be able to defend as professional."

Munger notes the special difficulties of identifying and surveying companies with strong ties to particular racial or ethnic communities. Some ethnic companies are not on state arts agency mailing lists and do not seek grants or advertise in mainstream newspapers, so they are particularly difficult to track.

The two annual surveys are sent to all Dance/USA members. Many, but not all dance companies choose to fill out the survey instrument, so that the surveys include only those data from the ones who participate. For the 1994 Data Survey, thirty-nine American companies, including twenty-six ballet companies and thirteen modern or other companies, plus two Canadian companies, provided data. Response rates were highest for dance companies with the largest budgets and for those of national stature. Many smaller companies of high quality choose not to participate.

The Personnel Compensation Survey is based on responses from approximately forty companies. (This number varies from year to year, hovering around forty.) The data set includes every job title within each dance company, and the wages and benefits that form the compensation package for each. Says Munger, "This report is so confidential that it only goes to the companies that actually sent data in, and even within this report, no company is named."

Ensuring reliability. Munger reports that the dance companies included in the annual survey are supportive even though the survey instrument is complex and it takes a long time to complete. It is not always easy for them to complete it accurately, however. "It's hard to get new companies up to speed," he says, "because most dance companies are generally understaffed and overworked." Munger suspects that reliability varies for different surveys. For the Data Survey, companies are supposed to include an audited financial statement. Because Munger contacts 85 percent of the companies by telephone to check on the figures, he feels that the data in that survey are very clean. Dance/USA does not require special documentation for the Personnel Survey, but accepts the figures that the companies provide.

Use of data. The data that Dance/USA collect permit the field to “hold a mirror up to itself,” Munger reports. "Dance is a field that is under-informed about the field itself,"

and Dance/USA views its survey activities as a way of addressing this problem. Data are often used for purposes of advocacy, planning and development. Dance/USA also used information from the Census in efforts to support the NEA. Says Munger: "We were able to feed data to Congress that were really useful. We could say that the dance industry accounts for x-many million dollars in employment and defend the number." Data are also used to respond to questions from members and other interested parties, and to identify trends in the field. The members use the Data Survey in practical ways, to make cases for funding, and to copy good ideas from leading companies.

Comparability over time. Are Dance/USA's data comparable over time? Munger believes that "With a little bit of tweaking, there is a level of comparability over time." Approximately twenty companies have participated in the study for five consecutive years, and one can examine trends by focussing on these companies. Annually, Munger "teases out" some characteristics from the twenty, then looks at the additional respondents to see if their data are consistent with trends revealed by his examination of the twenty core companies.

Possible new directions. Munger's main priority for Dance/USA's data collection effort is to update the Census, using a reworded protocol. He believes the original Census is incomplete on the basis of his personal familiarity with dance companies in his home state of Minnesota. He is aware of companies in Duluth, Rochester, and the Twin Cities that were not on the lists that ArtsMidwest (the regional arts agency) provided, and he is certain that there are comparable gaps in his data for other regions.

Access. Dance/USA makes several publications available for a nominal fee. While aggregate data are available to researchers, only the companies that completed the questionnaire are privy to the complete results of the survey. Likewise, a report of the compensation survey is distributed only to participating companies. A brief summary of the results of the Data Survey is available to non-members and other interested parties. Dance/USA staff try to use the data to respond to questions from the field and from researchers, however. For example, they may respond to a query about the typical salary for a given position, by citing a range of salaries for comparable companies, rounded to the nearest $5000.

National Jazz Service Organization

The National Jazz Service Organization (NJSO) maintains a membership list that includes primarily musicians, as well as managers, organizations, and groups, but only a fraction of possible members in any category, according to Executive Director Thomas Porter. It has approximately 250 organization members, which include universities, promoters, and commercial establishments. "The data," he said, "run the gamut from nonprofit to for-profits." Little information is available about the total number of jazz organizations, and there is little consensus on how such organizations would be defined. What we do know is that jazz organizations represent a heterogeneous mix of performing groups and presenters, few of them incorporated as nonprofit organizations.

The NJSO does not survey its members. It uses research commissioned by the National Endowment for the Arts on the jazz audience and reports from other sources in their work. NJSO also maintains a data base on information that their membership finds useful, according to Porter, on such topics as "organizations that present jazz, jazz festivals all over the world, news media, people who write about jazz, record companies, record promoters and managers." These data are updated about every 3 months. The data most useful to the NJSO's musician members concern what Porter calls "life surviving issues" -- information on how to get a job, a record contract, or distribution for a record.

> NJSO is also interested in audience studies. States Ported:
> Who is listening to jazz, what are the age groups, what are the ethnic backgrounds of people listening to jazz, who buys jazz. The other thing the organizations want is the names of jazz festivals or record contracts...We publish a journal called the NJSO journal which provides our members with a lot of information. It's kind of a technical assistance in itself.

American Association of Museums

The American Association of Museums (AAM) is the service organization for the museum field. Its constituency comprises museums of every type, including art, history, science, natural history, zoos, botanical gardens and general-interest. It has approximately 9000 individual members, and 2800 member institutions, of which just over half are art museums and art centers.

Scope of research. The AAM is preparing to re-enter the business of collecting statistical information from its members after an absence of several years. (At this writing, the organization is hiring a consultant to study information needs in the museum fields and

to advise it on a program of research that will address those needs.) In the late 1980s, under the guidance of a steering committee that included research-minded museum people and professional researchers, AAM developed an ambitious two-pronged plan: Every ten years, they would carry out a "Decade Survey" to establish the contours of the museum universe and collect a wide range of data from as sample from which projections could be made; and, roughly at two-year intervals, they would implement more limited sample surveys to focus on issues of particular interest. (Precedents for the "Decade Study" include the National Endowment for the Arts *Museums USA* study in the early 1970s and the National Institute of Museum Services' 1979 *Museum Universe Survey* and 1980 *Museum Program Survey*.)

AAM carried out the "Decade Survey" in 1989, issuing a long *Data Report* from the 1989 National Museum Survey, and a brief summary, *Museums Count*. A follow-up study on human resources was carried out shortly thereafter, focussing upon staff size, staff diversity, and the size and composition of compensation packages for different categories of employee. No report was issued from this study.

The research program was suspended when these early ventures revealed unforeseen difficulties and also suggested that the activity could not generate sufficient revenue to support its cost, which was greater than expected. According to AAM's Vice President for Policy and Programs, Patricia Williams, the project currently underway "is our re-start in this area." The difficulties that AAM encountered in the 1989 study should be noted by anyone interested in developing a standard arts-wide system of routine data collection. The museum field, compared to others, has much of the heterogeneity -- in both organization structure and function, and in governance and legal form -- that marks the arts, as a whole, and some characteristics unique to museums.

Population coverage. The AAM estimates that there are approximately 1,450 art museums and centers. The 1989 “Decade Survey” confirmed the existence of 8,000 museums (of all kinds) that met the Institute of Museum Services' definition of a museum as an exhibiting organization that is open to the public for at least 120 days a year, has a staff of at least one FTE (full-time equivalent staff), and is a nonprofit organization. (It should be noted that the entire universe is closer to 13,000 museums, including those that do and do not fit the IMS criteria.)

The AAM's experience with the “Decade Survey” illustrates the difficulty of

identifying all the members of the museum universe. According to Williams, no single database was adequate to this task. They relied on lists, such as the official museum directory, AAM's membership list, the National Institute of Museum Services (NIMS) database, and lists from specialized service organizations for art museums, science centers, zoos and aquariums, nature centers, historical societies, and other fields. Complicating matters and adding expense, the lists came in various formats, and some were only available in hard copy. The contractor that AAM recruited to establish the list produced one with 23,000 entries, a figure Williams knew to be a gross overestimate. Williams and her staff had to cull the list by hand to eliminate duplicate, triplicate, and quadruplicate listings. In this way, they reduced the list to a universe of approximately 13,000 museums, from which they drew a sample. A high response rate of 80 percent was achieved through aggressive use of telephone follow-ups to urge non-respondents to send in surveys.

Ensuring reliability. Because of the museum field's heterogeneity, establishing accuracy of response and comparability of data elements across museums is a pressing challenge. Some problems reflect variation in sophistication among the institutions responding to the survey, from huge institutions with up-to-date accounting systems, to tiny operations with only one or two paid or unpaid staff members. For example, the human resources survey's effort to collect information on the number of FTEs employed by museums foundered because many respondents were unfamiliar with the concept of FTE.

Other problems reflect the diversity of governance and financial reporting structures in the field. Comparability was particularly difficult to attain for financial data from public institutions, free-standing 501(c)(3) nonprofit museums, and institutions subordinate to larger nonprofit entities (in most cases, colleges or universities). The latter present particular difficulties. College museums, for instance, often lack data on the cost of such services as facilities maintenance, grounds, security, or legal representation that are provided by the college as a whole -- costs that might account for 30 to 40 percent of the budgets of comparable institutions.

Use of the data. AAM sent copies of *Museums Count* (the summary report of the Decade Survey) to participating institutions, and made both it and the full report (*Data Report from the 1989 National Museum Survey*) available for purchase. Roxana Adams, Coordinator of AAM's Technical Information Service, reports:

I find a real resistance within the community to pour over raw data reports.

> They'll read *Museums Count.* But if I refer them to the *Data Report*, there's a silence at the other end... I can almost hear them saying: Well, that's your job to analyze the data. They want to know specifically: How much is it going to cost me per square foot to put an addition on my building, as the museum down the road did it?

AAM members often request data that would enable them to compare themselves to comparable institutions. For example, Williams notes that the director of a nature center that is contemplating a 3,000 square foot addition might request information about other nature centers that undertook similar additions. Often, the closest comparison is to a different kind of museum, which may or may not be perceived as helpful. Says Williams,

> You can talk until you're blue in the face about a children's museum that did a 3,000 square foot addition being comparable; but it's not, in their minds. Some of that is dealing with their boards of trustees, because they want to come back and say I talked to the Chattanooga nature center, I talked to others, and they're all doing this. So we get a very high level of requests for specificity in these comparability questions, and a lot of resistance to using or interpreting data that comes from a little different angle.

Comparability over time. Because data collection has not been ongoing, AAM has not faced problems of establishing comparability over time. They initially hoped that the "Decade Survey" would permit them to establish trends through comparison to the NIMS's 1979 and 1980 surveys; but they found only a few questions from the 1979 survey that they felt were useful enough to repeat in the form originally asked. Thus the researchers were disappointed in their hope to document change.

Possible new directions. As noted, AAM is about to embark on a planning process for its research function. But Williams would be particularly interested in data on public participation, including general attendance, special-event attendance, and membership, and in data on museum expansion and new construction.

Access. AAM is willing to grant access to already collected data to qualified researchers. Williams noted that the raw data that have not been organized or analyzed, and are not on an electronic database.

Association of Art Museum Directors

The Association of Art Museum Directors (AAMD) offers both a professional meeting place for art museum directors through its two annual meetings, and a service organization for their museums. In the fall of 1995, AAMD's membership consisted of 166 directors and their museums. With a few exceptions, these include the largest art museums in North America. The Association's by-laws limit membership to 200. Eligibility for membership requires that a museum have had an annual operating budget of $1.4 million or more for at least two consecutive years, a distinguished permanent collection or exhibition schedule, a permanent staff, and active educational programs. The director must possess a strong background in art history and proven administrative ability. New members are proposed by existing members' nominations, which are reviewed by a membership committee.

Scope of research. The AAMD produces a *Statistical Survey* and a *Salary Survey* annually, and conducts studies on specific topics based on data collected in these surveys, when members request them. According to Millicent Gaudieri, Executive Director of AAMD, "We use portions of both surveys for specific needs, whether it be for members, or for developing testimony for hearings in Washington."

AAMD has maintained high response rates (80 to 85 percent) for its two annual surveys, and museum directors, to insure their accuracy, are asked to sign off after qualified staff members complete them. Gaudieri believes that AAMD's survey work is successful because the surveys and demands on members are consistent from year to year. When they do change certain questions, as they did in 1995, they note the changes prominently and provide clear instructions to respondents.

Population coverage. AAMD does not attempt to survey the entire art museum population, but restricts its inquiries to current and former member institutions (approximately 215 in all). (Former members include those whose budgets fell below the minimum level and institutions that lose their directors.) Gaudieri cautions that the institutions AAMD surveys constitute a "very small sample of the number of existing art museums." While there are many art museums in the country, not all of them are members of AAMD, so that these non-members are therefore not surveyed.

Ensuring reliability. Gaudieri carefully reviews all of the survey forms as they are returned, and often catches errors and telephones for correct information, a process that she reports occupies much of March and April of each year. Problems often arise when staff changes at the museum lead to survey completion being assigned to someone who has not

completed it before.

Gaudieri herself works closely with the museums to help them standardize their reporting, but often the larger museums are unable to do it, due to already-established accounting procedures. Special problems exist for institutions that combine art museums and art schools or institutes in "one big budget."

Use of the data. AAMD started collecting data because it thought it would be useful for members to be able to see how their institutions compared to their peers. A member could look at the data and say, "Gosh, we are number 37 in total operating income, but why are we only 74 in..." AAMD also uses the data to respond to member requests for specific information. "Just yesterday," Gaudieri says, "I got a call from a university museum member who wanted data only on specific categories for university museums, so he could compare his museum in the university world with the others, in terms of income and expenses." She believes that smaller institutions use the data more than larger ones in this way.

Gaudieri reports that AAMD occasionally uses the data for advocacy or educational purposes. They have used their data in testimony on the NEA, NEH and IMS. AAMD does not issue press releases as do traditional arts service organizations, nor do they make their results public. (Unlike many organizations, they do not need the results to build the Association, as membership is already capped.)

Comparability over time. AAMD has established an unusually high level of over-time comparability because 118 museums have provided useable responses for five or more years. Thus AAMD's *Statistical Survey* reports five-year time series for many items. In fact, Gaudieri reports, AAMD has the capacity to produce ten-year time series for a set of sixty to seventy institutions.

Possible new directions. If AAMD could ask for any ways in which to improve its data collection, Gaudieri said that she would want museums all to agree to provide the same figures (either gross or net) in reporting museum shop and restaurants revenues. In addition, the next survey will include a new question on the number of art works in the museum's collection.

Access. AAMD's *Salary Survey* is available for purchase either through AAMD or AAM. The *Statistical Survey* is available only to members of AAMD. Generally, AAMD does not make data available to researchers; but such a request would be considered by the

Association's board. "Then it would depend on who the person is, what the project is, and what kind of distribution the project would have."

OPERA America

OPERA America (OA) is the service organization for opera and musical theater companies. It has a tiered membership structure, with approximately 143 organizations holding "Professional" membership. Such memberships are open to companies with budgets of at least $100,000, at least one paid full-time professional staff member, paid singers, and at least one production a year with a live orchestra. "Affiliate" membership is open, without financial criteria, to many kinds of producing or performing organizations, including university-affiliated companies, volunteer companies, and groups that combine a core of professional performers with a larger set of amateurs, some with all volunteers, or a combination of volunteers and paid professionals, some associated with universities. Several smaller membership categories exist, including International Company members, for companies outside of North America. In addition to its other activities, OPERA America operates regranting programs for several private foundations that funds outreach activities and certain productions.

Scope of research. OPERA America conducts annual financial and operations surveys. It also collects information on season schedules, producing an annual catalog listing productions, schedules, and, when available, casting information (which is not available in the print version). OPERA America produces a survey of set and rental databases every other year, as well as irregularly conducted periodic survey of labor contracts. The organization also conducts one-time surveys on special topics (for example, a survey of production technologies) and occasional brief "flash surveys" on especially timely topics. Professional Company Membership information is updated twice a year. Arthur Smith, OPERA America's Information Services Director, believes that the demand on members for information may be too high: "The members are getting approximately 10 survey instruments (sometimes only 1 page) a year, and I think that's a problem. We need to consolidate."

Response rates vary from survey to survey. All professional members are expected to complete the Professional Opera Survey, which collects financial and operational data in one instrument. The companies are not eligible to benefit from the regranting programs

unless they do, so returns are high. By comparison, says Smith, "for the compensation survey I got less than 50 percent response rate and it's seldom more. We do surveys on contact information and set materials. If it's tied to some clear practical use or financial aspect of their work, then they respond." Response to requests for information about new productions is always high, because companies are eager to publicize such work. In general, reports Smith, "the more complex or lengthy the survey, the less the response."

Population coverage. Approximately 110 of OPERA America's 143 Professional and International member companies are North American, as are most of the approximately 156 affiliate members. Smith estimates that there are approximately seventy-five to eighty additional companies that are not affiliated with OPERA America. Most of the latter are not professional, although a few professional companies, in most cases smaller companies, have not joined OPERA America or have let their memberships lapse. Overall, he estimates that "there are easily 300 entities of some kind who present or produce opera." (This is approximately 260 "professional" companies listed in *Musical America*, and 40 too small to list.) "Our estimate," he says, "is that most communities of 200,000 have some kind of access to live opera; in many cases this may be a group that performs in a church."

Ensuring reliability. Issues of compliance and accuracy are not easily solved. Smith aggressively follows up survey non-respondents by phone, and OPERA America's Executive Director, Marc Scorca, also telephones the most tenacious hold-outs. This year OPERA America is publishing the names of companies that did not respond to the Professional Opera Survey. If a company has been awarded a grant through one of OPERA America's foundation-supported program, the check is withheld until they complete the Professional Opera Survey.

Many difficulties stem from the fact that "the companies don't always complete the survey very well." Financial data pose the biggest problem. For example, numbers on the financial summary page of the survey must correspond with audited financial statements, but compliance is uneven, and numbers from the form often do not match the audit numbers or, in some cases, companies fail to submit their audited statement. In some cases, the audits themselves are not very good. Companies in large cities tend to use “Big Eight” accounting firms that adhere to generally accepted standards. But organizations in small places with few performing-arts organizations submit reports of variable quality, or informal audits.

At times, companies are reluctant to disclose sensitive information, such as salaries or deficit levels, that they feel may place them in an unflattering light. For example, some companies "are reluctant to release salary or other contract information" even though OPERA America only distributes aggregate figures to the public. Nonetheless, some companies are reluctant to share the information with other 96 or so participating peer institutions to whom results are distributed. The 96 participants (out of 112 North American Professional Members) receive reports with the names included in them.

Some companies find it difficult to complete the financial survey because their internal financial structures do not conform to the survey requirements. This, says Smith, "really puts an element of softness in the data." Other respondents simply make typographical or other errors. Smith spends much time checking the data for errors and working with companies to correct them, as did the former occupant of his position. "If the survey has an internal inconsistency and a number that is not tied to the audit, I may have days of trying to unravel it."

Smith is revising the financial page of the survey to help alleviate problems of compliance and reliability, but he says that "an inherent thing about the financial operation of opera companies is that they may have unusual financial circumstances. Some are part of larger institutions. Others have complex multi-year matching grants which are difficult to accommodate on our form."

Use of data. OPERA America also seeks to establish industry trends in its capacity as the voice of the professional opera field. As Smith puts it,

> We want to be able to say to the press that opera is a $440 million operation last year, or that educational performances increased by a certain percent... We also watch government support for opera, and try to document any real or imagined shift between federal, state and local level. These are useful in our advocacy efforts.

OPERA America seeks to collect data that its members can use for management purposes. Some members are sophisticated in using data, whereas others do not rely on survey data. The data on season schedules go back several years, and form an important resource: Companies use it to learn which companies may have sets for a production they are considering, or which companies have experience producing new operas. Companies also use the financial data as a management tool, comparing their own costs to those of

companies of similar size or in communities with similar populations. OPERA America also conducts a Future Season Survey, which provides confidential data on every participating member's plans for the coming five years, facilitating planning for co-productions or other forms of cooperation.

Smith feels that mid-sized to larger professional companies make the most use of OA's data. "The largest five or ten organizations have a very good network of communicating with one another, and may have access to financial information because the managers at this level all know each other." At times, it is difficult to get such companies to participate in the data collection, for instance on labor data, because their scale is so much larger than that of most U.S. companies.

OPERA America provides data to its members via publication and on request. For example, a company may ask for information about other companies that have added performances or productions, in order to plan an expansion of its own season, and OPERA America can provide names of companies that they can contact. This helps a company know whether it can afford to add an additional production to its season, or extra performances of operas already scheduled. Other frequently asked questions concern touring and funding for educational or outreach programs.

Smith considers the data from small affiliate companies of uncertain quality and comparability. He usually responds to an inquiry from affiliate members with "narrative help" but not "hard numbers," although they have recently initiated an affiliate survey. Aggregate budget information (for example, the proportion spent on administration, artists, or production), is available, but with the qualification that "It's a dubious kind of help, because these indicators are so sensitive to the kind of environment they're in, and small companies are quite mixed."

Comparability over time. OPERA America maintains a panel of approximately fifty U.S. professional companies that have responded to the Professional Opera Survey for five or more years, and reports over-time aggregate data on approximately one dozen financial and operational variables. (The panel excludes the Metropolitan Opera, whose scale of operations is so large that its inclusion would skew the results.) Because the survey universe for the Professional Opera Survey varies from year to year, it is necessary to maintain such a panel in order to draw conclusions about trends. Even so, Smith is not satisfied, and is searching for "better sample use and better statistical methods" to "give us

some idea of what the real phenomena are. Currently there's just this one somewhat unscientific sample group."

Possible new directions. If OPERA America could add to its data base, Smith says that OA would like to have more data on the growth cycle of opera companies. "We don't know when there is a critical mass, what difference a university makes, or what difference the venue makes." There has been a lot of growth in regional opera in the U.S., "but we don't have the mechanisms to study how and why that's happening." Smith adds that heterogeneity among companies makes detailed data important: "The field is very skewed at both edges." The Metropolitan Opera, of course, throws everything off. The other companies have such a diverse range in, for instance, salary practices for singers. Sometimes they perform a great deal, but it might be, for instance, for the educational market." They would also like better information about attendance. And they would like to be able to calculate the actual number of people that opera companies employ. "We need to get number of employees, just basic employment data, labor data, which we don't have. We collect it only very indirectly. Some of it comes out in the Compensation Survey, but for instance, the independent contractor vs. regular employee is a very soft number."

Smith also notes the importance of research on the "impact of philanthropy." He would like to be able to document statistically the impact of the grant programs that Opera American administers, but finds it difficult to do so. "How do you operationalize access or participation? These are very soft terms. So you get a grantor, and naturally the organization wants to know that the five million dollars it has given made a difference, and it's very tricky to demonstrate this statistically."

He would also like to be able to document better the economic impact of opera. "When do companies actually get to the point where they have an economic impact on their community, when do they move from being something that not many people know about and fewer people attend, to an organization that is seen somehow as part of the civic firmament?" OPERA America is frequently asked about economic impact. "Companies want to be able to make the case with a community arts funder or civic organization that they deserve a piece of the pie..." Smith is aware of research supported by NASAA and NEA but feels that more work is necessary.

Access. Participating professional members have full access to most of the data.

Actual numbers, linked to the responding organizations, are provided, except in the salary data, where the names are removed. Some particularly confidential information (like the data on plans for future seasons) are released only to sub-sets of peer participating companies.

The Human Resources Survey is released only to those who participated, with the companies' names deleted. OPERA America makes aggregate data available to members of the research community and to the general public. In many cases, Smith refers inquiries to the opera companies themselves. Most of the time, opera Companies are willing to share the information they provide, but OPERA America collects them with the understanding that they will remain confidential, and does not distribute them.

Theatre Communications Group

The Theatre Communications Group, Inc. (TCG) is the service organization of the nonprofit professional stage. Created in the late 1960s to work with grantees of the Ford Foundation's ambitious program, it broadened its focus in the 1970s and now represents 261 constituent and 63 associate nonprofit theaters throughout the United States.

Scope of research. The two largest components of TCG's research program are the Fiscal Survey, which collects data on the finances and production activities of TCG member theaters, and the annual Salary Survey, which collects salary information for approximately forty full-time and guest artist positions in TCG theaters.

Nearly 170 organizations complete the annual financial survey, which has a long form and a short form. Larger constituent theaters -- those with budgets of more than $500,000 per year -- are asked to complete the long form, and approximately 115 of them do so. All 63 associate members receive the short form, and approximately fifty of them complete it. Nonrespondents received a faxed inquiry with approximately a dozen questions, which yields an additional 65 or so responses, for a total response group of approximately 230 theaters. In addition, between 105 and 125 theaters participate in the annual Salary Survey, which collects salary information for approximately 40 full-time and guest artist positions.

TCG also conducts an average of six specialized mini-surveys throughout the year. Recent specialized surveys have been undertaken on such topics as marketing expenses, development costs, new play development programs, audit fees, computerization, and

executive staff contracts.

Population coverage. TCG tries to cover the professional nonprofit American stage. Educational or avocational nonprofit theaters (for example community theatre or college theatre groups) fall outside its definition of "professional." Barbara Janowitz, TCG's Director of Management and Government Issues when this study was undertaken, is frank on the difficulty of determining how many nonprofit professional theaters are in operation: "We don't have a clue what the universe is. We say 400-450 professional theaters -- and we've made that number up -- meaning there is a certain level of pay involved to staff and artists, that there is a certain amount of production activity each year." Although she regards it as problematic that TCG does not know what the universe of theaters is, she is confident that virtually all of the largest nonprofit theaters are TCG members.

Ensuring reliability. TCG requests audited financial statements from its members, and most, but not all, comply. "We are very careful," says Janowitz. "It's a lot to go through if they don't have their audits yet. We'll go back and adjust earlier year data in subsequent years after we get the audit for those earlier years. You know, people often fabricate numbers, more out of an inability to access the data easily."

Even audited financial statements may lack comparability, as smaller accounting firms in different parts of the country do things in different ways. "I have seen the most amazing array of audit statements," Janowitz exclaims. "What's really amazing is what disappears from one year to the next. There is just stuff that gets written off and there are not notes about it, nothing. Sometimes we call the theater back and say: Excuse me, but what happened to that loss in your planning fund?" Consequently, Janowitz reviews the survey forms carefully and contacts theaters with questions when anomalies appear. The process is labor-intensive: "We spend months trying to fit everything to audit statements," she reports.

Use of data. TCG uses its data for advocacy and public relations and to provide management-relevant information to its members. Major findings are published annually in *American Theatre* (TCG's magazine) and some detailed information is published in TCG's membership directory, *Theatre Profiles*. Although most results are reported for groups of theaters aggregated by budget size, TCG responds to member requests by re-analyzing the data in additional ways. For example, upon request they might summarize

information for northeastern theaters with budgets greater than $1 million, or for theaters in communities with particular demographic profiles.

Comparability over time. TCG's data are comparable over time because TCG has kept the survey form and instructions consistent from year to year. Janowitz reports that during the nine years she worked at TCG, only one line was added to the survey, precisely in order to maintain comparability over time. Out of the 115 theaters that respond to the long form of the survey, TCG maintains a list of 60 to 70 theaters that they have consecutive data on, and it is this group that TCG relies on for trend analysis. TCG works very hard to ensure that it is always the same theaters in this group.

Possible new directions. There are data items that TCG would like to collect but does not currently ask for. Says Janowitz, "Some of it we don't ask for because we don't think that we can accurately get it from our theaters. That's really the reason why we haven't changed things. It's difficult enough for them to fill the survey out and to fill it out accurately..."

TCG's data are kept in-house. Data from the Salary Survey are confidential an only released with written permission of the theaters. No individual information is given out; the results that are for the public are written up the results in *Theatre Facts*. And TCG will share some of the front pages and some budget group analysis, but as far as individual theaters, they will not release the information on them unless the theaters have given their permission to do so.

Access. Janowitz says that TCG is happy to share its data with researchers. Such requests place some strain on staff, of whom there are too few to comply with requests that would require extensive labor. But TCG will cooperate with researchers to the best of its ability. It is not possible to call TCG and request a data diskette with a codebook. This does not exist, according to Janowitz.

Arts Service Organizations Data: A Summary

Tables 2.1 and 2.2 provide summary information for the purposes of comparing the data collection systems of the major arts service organizations, as well as the IRS 990s Business Master File and NASAA's National Standard. Table 2.1 outlines the types of data collected under the general heading of finances. This includes income, expenses, assets, liabilities and fund balances. (The tables are located at the end of this chapter.)

The most widely collected data appear to be income data, especially revenue that is generated by corporations, private individuals, performances and exhibits. Income in the form of government grants is also available for all the service organizations and IRS, although the definitions for this category appear to be slightly different. Data on income from endowments and investments are also collected by IRS and from all the service organizations, with the exception of Chamber Music America.

Expense data also vary quite a bit. Most service organizations collect data on expenditures for administrative, artistic and technical personnel and operations. Other categories of expenditures are less often the object of data-collection efforts.

Table 2.2 details the coverage by the service organizations and IRS and NASAA of operations, audience and participation, and employment. Operations data are very sketchy, as are audience and participation data. Only employee benefits comes at all close to presenting a complete set.

NEA as Data Source of Data on Arts Organizations[2]

The National Endowment for the Arts maintains an internal Grants Management System, which can provide users with basic "housekeeping" information on prior-year grant recipients such as geographic location, amount of grant, awarding component (e.g., program category, discipline) and several other items. The data collected and maintained in this database are, for the most part, project-specific, and not organization based. For a variety of reasons, the Endowment has only recently begun to turn its attention toward collecting additional -- and more useful -- information, both about the organizations that receive grants and about the projects

Because the Endowment's grants programs were discipline-based until the current fiscal year, decisions about what to ask respondents were driven by program needs for data, perceptions of which varied greatly among the programs. Demand for more specific or specialized data from applicants was typically driven by requests from application review panels. As a consequence, many programs collected information through program (and often category) specific "Supplementary Information Sheets" included with the program's

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[2]We are grateful to Tom Bradshaw for his valuable input on this entire section.

organization application guidelines and forms. Grant applicants were asked to submit this detailed information only when applying; hence follow-up data--at least in electronic form--on projects actually funded is minimal to non-existent. In the face of the NEA's reorganization following major staffing and budget reductions, the collection of supplementary data has been discontinued.

The NEA's Research Division also in the past, has been responsible for issuing special reports and studies on arts organizations, generally performed by contractors or cooperators drawing from data sources other than the NEA itself. However, the Research Division has never had either the resources or the mandate to be a primary disseminator to the field of "raw data."

In its new environment of diminished resources, the NEA has reorganized its operations away from the discipline-based programs of the past into four major divisions. Applications will now be submitted to four broad categories: Heritage and Preservation; Education and Access; Creation and Presentation; and Planning and Stabilization. The Endowment will also consider applications for partnership agreements and leadership initiatives, as well as for basic state grants. (The latter are, in effect, formula-based block grants to state arts agencies.) In addition, the agency now restricts organizations from applying to more than one of the four major categories. As a result of this restriction, the number of applications from arts organizations is significantly lower in FY 1996 than in previous years, although it appears as though the number of discrete organizations applying is similar to recent levels.

Subsequent to the agency's internal reorganization in fiscal year 1996, the application form for organizations was redesigned to collect more information about the organization itself, using codes compatible with the national standards established under the National Information Systems Project (NISP). For FY 1997, the use of additional national standard codes, as applicable, to describe project activity (e.g., "Recording/Filming/Taping," "Exhibition," "Regranting") and project impact (e.g., "inner city/rural" and "national/regional") is under active and serious consideration.

The National Standard for Arts Information Exchange at NASAA[3]

[3]We are grateful to Kelly Barsdate for her invaluable input into this section.

The National Standard for Arts Information Exchange (hereafter, the National Standard or the Standard) is a set of terms and conventions used by State Arts Agencies, regional arts organizations, the NEA, and a few local arts agencies to organize and present information about constituents and grant activities. It is administered jointly by the National Assembly of State Arts Agencies (which is a membership organization of the nation's 56 state and jurisdictional arts agencies) seven regional arts organizations, and the NEA.

The National Standard provides four "information systems" (defined as the specifications for organizing, defining and reporting information) to arts agencies. These are the Constituent List System, the Mailing List System, the Grants Management System, and the Arts Resource Directory System. Use of the Standard provides all participating agencies with a consistent structure for collecting, formatting and reporting information on their activities. The data that are collected form a uniform data set that describes the characteristics and scope of publicly funded arts activities taking place across the nation.

Grantmaking information is collected from the states annually. State and regional agencies prepare Final Descriptive Reports for the NEA, using portions of the Standard's Grant Management System mandated by the NEA. The states collect the information, format it according to the Standard's guidelines and then submit copies of their reports to the NEA and NASAA. Every three years, NASAA issues *The Profile*, a descriptive report on state agency grant-making based on Standard data.

The National Standard data fields required by the Endowment are:

1.) Data fields that describe the applicant/grantee: name, race, state, zip code, status, institution, discipline and congressional district.

2.) Data fields that describe the project: project discipline, type of activity, international activity, grantee race, project race, project type, individuals benefiting, and artists participating.

3.) Data fields that describe project finances: grant amount requested, awarded and spent, expenses, income, in-kind contributions, BSG share (contribution towards the total grant from the state's Basic State Grant from NEA), State Art Agency (SAA) share (contribution towards the total grant from funds appropriated to each state arts agency by its state legislature), other NEA share (contribution to grant from money received from the NEA to be regranted by State Arts Agencies in programs such as Folk Arts, Expansion Arts, and so on) and other share (proportion of grant provided from private contributions

and local public money that passes through the agency).

Strengths of the National Standard as an arts organization database. NASAA has a 100 percent response rate for grantmaking information using the National Standard. (Compliance is a federal reporting requirement.) The scope of these data are broad, in that they cover approximately 90 percent of all SAA grantmaking. The database appears to be of excellent quality. In each state and regional arts council, there is a grants officer whose chief function is the collection and organization of grantmaking and constituent data. These data are again cleaned and sorted by NASAA staff. According to National Standard Coordinator Kelly Barsdate, good trends data are available from 1987 through 1993. Reliability and comparability of data are good from 1988 to the present, in part due to NASAA's work in training the respondents.

The National Standard consists of twenty-three discrete data fields, including the federally mandated fields mentioned above. Data from the Standard can be linked to demographic sources to permit in-depth analysis of geographic locales. Potentially, then, the data base could be employed for purposes of mapping or needs analysis. There are voluntary fields of data that are not required by the NEA but that are in use by various State Arts Agencies, which provide fuller information about such aspects of an arts organization as revenue and expenses.

Limitations of the National Standard as an arts organization database. The National Standard was developed by state, federal and some local arts agencies for use by public grant-making agencies. It was not created with an eye to the needs of arts organizations and their service organizations, private grantmakers, academic researchers, or other stakeholders.

The needs of its creators account for its major limitation -- that it records information only about organizations that have applied for or received grants from state or regional arts agencies. Moreover, the more detailed data concern funded projects rather than the grant-receiving organization as a whole, which means that there is no information about the organization's unfunded programs. Says Barsdate, "We force people to ... pick the most salient characteristic of their organization, of their project and of its finances, which is frankly the most useful thing for accountability for policy and for advocacy. However, when it comes to real analysis of the field -- like, what is dance like in this country? -- It is inadequate."

Another limitation of the National Standard is that it does not provide detailed information on arts activities that result from regranting. Barsdate explains that the Standard

> will tell me that a certain state arts agency gave $25,000 to this local arts agency and that in that project, 500 artists were involved, it reached 1200 people in the community, and it used half federal dollars and half state dollars. What it doesn't tell me is what the local arts agency did with that money. It didn't tell me that the local arts agency in turn sponsored a performance and gave 3 arts education classes.

A further limitation is that the NEA does not require the Standard to collect zip codes of project site (although this information is an unmandated National Standard field). Currently the states submit the zip code of the grantee itself, but when it comes to touring projects or other kinds of projects that take place off site, information is submitted on a voluntary basis (and rarely). This means that one cannot tell what communities are being reached by off-site projects, nor can one use the data to connect project activity to the socioeconomic status of residents of zip-code areas.

Other NASAA (Non-National Standard) Sources. NASAA maintains several other ongoing data bases containing information of interest to arts researchers, administrators and advocates. The *State Arts Agency Profile* data base contains encyclopedic information on the structure, policies and programs of every state and jurisdictional arts agency. *Profile* data are based on state responses to a forty-page survey instrument administered every three years with a 100 percent return rate. In addition, NASAA collects budgetary information, updated twice a year, on state arts agency legislative appropriations and line items. These data are available from 1969 to the present. States also participate voluntarily in NASAA's anecdotal database, which contains narrative descriptions of model programs from forty-five states. Additional topical surveys are administered by NASAA on special policy issues as they become important in the public funding environment. Examples include supplemental funding mechanisms, decentralization strategies and performance measurement approaches.

IRS Form 990s as a Data Source on Arts Organizations[4]

[4]We are grateful to Tom Nygren for his very useful input into this section.

Nonprofit organizations may apply to the Internal Revenue Service to qualify for tax-exempt status, which, if granted, removes their obligation to pay federal income taxes. The organizations that qualify under Section 501(c)(3), known sometimes as the "charitable" nonprofits, are entitled to receive tax-deductible contributions. The IRS maintains its records of tax-exempt organizations in a database known as Exempt Organizations/Business Master File, which is generally known as the BMF.

Problems with IRS Data. The BMF has been a problematic source of information about nonprofit arts organizations, especially smaller nonprofits, because of its reporting requirements. Only organizations with an average annual revenue of over $25,000 must file a 990 form. Once they apply for and receive tax-exempt status, they must file yearly unless their revenue drops below $25,000. In any case, they remain in the BMF, whether or not they file again. The same is true for the very smallest organizations (under $25,000.00 annual revenue). They have an incentive to apply for tax-exempt status because it enables them to receive tax-deductible contributions, and many do so. But once they are on the BMF, they remain there, whether or not they remain in operation or are viable -- unless they formally notify IRS that they no longer exist, or unless information about their demise reaches IRS through some other means. Consequently, the IRS records are inconsistent, out of date, and contain substantial dead wood.

To complicate matters, organizations with annual gross receipts of less than $25,000 for at least three consecutive years are not obliged to file the Form 990 (Return of Organizations Exempt from Income Tax) or Form 990EZ (short form), but they are permitted to if they so choose. Therefore, Form 990 data bases include some but not all of the smaller nonprofits.

William G. Bowen, Thomas I. Nygren, Sarah E. Turner, and Elizabeth A. Duffy examined the bias introduced by these problems in their book *The Charitable Nonprofits* (1994). They studied nearly 270,000 independent public charities, more than 55 percent of which were "nonfilers." At first, they assumed that these charities had revenues following below the $25,000 threshold for mandatory filing, but they became curious as to how the organizations could exist on such modest budgets. Painstaking efforts to locate a sample of 290 Manhattan performing-arts organizations that were on the IRS data base but had not filed 990s revealed that only 22 percent of the organizations still existed. The rest were defunct (and some had been for years). The authors concluded that "This finding has major

implications for size estimates of the nonprofit sector because over half of the almost five hundred thousand 501(c)(3)s in the BMF are nonfilers."

The IRS 990 data base also suffers from misclassification of organizations by category of activity. Misclassification results from simple respondent error (as when a theatre company transcribes the code for nursing home in its return) and from genuine ambiguity for organizations with multiple purposes active in more than one field. Moreover, as the Andrew W. Mellon Foundation's Thomas Nygren, who has worked extensively with these data, put it, "What organizations are and what they want to be sometimes don't correspond."

Even if it were used properly, the IRS typology is a crude one that does not permit making many of the disciplinary distinctions that users interested in the arts would want to make. Fortunately, the IRS is adopting the more detailed classification system used by The National Taxonomy of Exempt Entities (NTEE), developed jointly by the Foundation Center (a New York service organization for independent and corporate foundations that maintains an extensive program of research on grant-making) and Independent Sector's National Center for Charitable Statistics. When Bowen, et al., undertook their research, however, the system had not been perfected, and the authors found that of nearly 4,000 entities coded within the area of higher education, approximately 60 percent were incorrectly included, and approximately 10 percent of the institutions that *should* have been there were not. (The arts were not exempt from such problems. The Southern California-Southern Nevada End-Stage Renal Disease Network was coded as a theater, because its name included the word "stage" (Bowen, et al., 1994).

Potential strengths of IRS data. Scholars and researchers who have worked with IRS data feel that it is a resource that is worth investing in. Says Nygren,

> It was our opinion that despite the problems, [looking at] the 990s was still a way to get some sense of the data. It was national, it is a central place asking everybody to fill out the same form and it has an enforcement mechanism. At least you're starting out with this basic concept that there's a national database being kept with everyone filing financial data, and it seems like it should be worth something.

Despite the initial difficulties of misclassification, work on improving the NTEE is progressing, and a revised system was presented in 1996. NCCS obtained microfiche copies of the returns of organizations with revenues of less than $25,000 that had filed

voluntarily and coded each of them in machine-readable form, using the new system of classification. Beginning in 1996, the IRS is training field agents to classify organizations using NTEE codes. NCCS is also using field-specific experts to verify the codes.

The improvement of the NTEE system and its adoption by IRS should go a long way towards solving the problem of finding out the number of a particular type of arts organization (though not all the way, due to the continuing problem of eliminating defunct nonprofits from the roles). "If they're being coded accurately, it won't matter what a particular service organization says," stated Nygren, "you'll know the number of the arts organizations, and you'll know basic financial data about them."

Some researchers prefer to use locally completed data bases (e.g., the National Standard) in their work in the belief that data bases compiled locally will be more reliable due to the greater information local people possess. One informant suggested that local, state, and national data bases could be made comparable to each other and to IRS by using the NTEE classification as well. Another disagreed, however, contending that organizational classification systems like the National Standard's, which are created specifically to serve the needs of the arts, are inherently more valuable than those designed to incorporate arts organizations in a larger framework. Presumably, however, the advantages of both could be retained if the NTEE classification system were included routinely as a separate field in arts-organization data sets.

In a similar vein, Nygren noted that including Employer Identification Numbers (EIN), which are required by IRS, in arts-organization data sets would make it easy to merge such data with information from IRS 990s. For example, the Foundation Center has a large number of nonprofits (all those that have received grants from reporting foundations) in its data base, drawn from essentially the same universe as the IRS 990 Business Master File. According to Nygren, the Foundation Center is meticulously accurate in its coding practices. If the Foundation Center required EINs, it would be a simple matter to correct errors in the IRS file by cross-checking the organization-type fields in BMF and Foundation Center data files. (Because the Foundation Center has not included EINs in its data base, such comparisons, which Nygren and his colleagues attempted, required elaborate name-matches, which proved impractical.) Says Nygren, "If everyone in the country were using the EIN, it would make a huge difference."

The Census of Service Industries as a Data Source on Arts Organizations[5]

Data collected and compiled by the U.S. Department of Commerce, Bureau of the Census, on arts organizations appear every five years. They are included in a subject series called "Miscellaneous Subjects." Unlike the other kinds of data described in this section of the report, Census Bureau data are subject to rigorous disclosure prohibitions; therefore, a list of organizations included in the Census is unavailable, and data are available only in aggregate form. We describe these data nonetheless, both because they represent a major source of nationally collected, regularly replicated, aggregate data; and because the Census Bureau under certain conditions will perform special analyses at the request of other users (such as, the NEA RD).

Limitations of census data. Census of Service Industries is not timely, as the survey is administered every five years and the time lag between collection and publication is ordinarily three to four years. Published tables aggregate data at too high a level of abstraction to be useful to researchers interested in most subgroups of arts organizations. A year or so after the primary report is published, the Census Bureau provides the NEA Research Division more detailed data on the arts. The RD then produces a series of research notes, on such topics as nonprofit theaters, nonprofit dance organizations, nonprofit organizations in the classical music field, and museums and art galleries, which are made available to the arts community. A larger research report that illuminates all the arts data from the Census in 1987 is available on-line in the Eric System beginning in 1994.

Advantages of Census data. The Census data includes organizations that either complete an IRS 990 Form, pay (one or more) employees and fill out a Social Security Administration 941 Form, or are incorporated as partnerships or corporations. Because they include for-profit as well as nonprofit service providers in the same industry, and because they collect similar data from each, they provide the only basis for systematic comparison of nonprofit and for-profit organizations in many of the arts fields. Because the Census is conducted at five-year intervals and tends to collect the same information in the same way each year, it represents a useful source of information on trends.

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[5]We are grateful to Monnie Peters for her very useful input into this section.

Council on Foundations Data

The Foundation Grants Index, which is edited and produced by the Foundation Center, is a cumulative listing of foundation grants. *The Foundation Grants Index 1996* includes listings for more than 72,000 grants of at least $10,000.00 or more from 1,029 foundations. This represents only 2.7 percent of the total number of active grantmaking foundations, but their giving accounts for more than half of total grant money awarded by U.S. independent, corporate and community foundations. In 1994, the sample base included 72,774 grants, of which arts and culture received 13 percent of the money given and 14 percent of all grants.

The Foundation Grants Index could be used as a source of data on arts organizations, as this reference volume is organized by category (i.e., Arts and Culture), name of funder, where and how much given, and reason for giving. Because the units of analysis are grants, not organizations, the data would have to be reformatted for this purpose, however. Since arts organizations that do not receive grants from reporting foundations are excluded, coverage will be incomplete.

An Electronic Application

Professor Dan Martin of Carnegie Mellon University in Pittsburgh has been working to create the first electronic application form for arts organizations who wish to apply for funding, whether it be from federal, state or local sources. He began the process by working with the Pennsylvania Council on the Arts, and since then, fifteen other State Arts Councils have expressed interest in his innovation. The idea is to create a mechanism that would make it easier for arts organizations to apply for grants from various sources (such as the organization's state, regional and local arts councils) by standardizing the requests for data on the many applications.

Once the data from applications go on line, it would be relatively easy to compile a list of organizations from them. In addition, arts organizations would find that it decreases their application burden, since required data would only have to be entered once, and then updated yearly. Martin also feels that if the states could post their data electronically, it would ease NASAA's heavy workload of cleaning and checking the National Standard data. The electronic application is still in the development stage at present.

Chapter 3: Data on Arts Organizations: A Needs Assessment

This chapter is based on interviews with 62 users and potential users of data on arts organizations. Open-ended interviews were structured loosely by a 3-page protocol, all questions on which were addressed over the course of the conversation. Interviews ranged from 20 to 40 minutes in duration, with a median time of 30. Persons interviewed included: 11 staff of public arts agencies; 11 program officers of private foundations; 12 staff of arts service organizations (including 5 from organizations primarily oriented to communities of color), 16 university-based researchers, and 2 consultants. In addition to these formal interviews, this chapter draws upon conversations with 8 staff of the service organizations whose research programs were described in chapter 2. We rely heavily on quotations from these interviews in the narrative that follows. In order to avoid revealing the identities of the men and women who spoke with us, we randomly assign gender-specific pronouns ("he" and "she") without regard to the gender of the speaker.

This chapter is organized by topic, including the types of data respondents use and how they use them; the kinds of data they would like to have and the limitations they see in existing sources; and respondents' thoughts on the desirability, feasibility and potential organization of a unified national data collection system. Throughout this chapter, we emphasize both commonalities in the perspectives of the men and women with whom we spoke, and differences of perspective associated with the positions our informants occupy. These emphases are equally important: The commonalities provide the basis for collaboration around common systems, whereas the diversity sets limits to the capacity of common systems to satisfy user needs.

How the Data Are Used

The men and women with whom we spoke use data in many different ways. These many uses can perhaps best be categorized along two separate dimensions. The first refers to the frame of mind in which data are interpreted, and ranges from disinterested inquiry to frank advocacy for a particular point of view. One extreme on this dimension would be represented by what academic researchers refer to as "data-dredging," or simply poring through reams of printouts to see if anything "interesting" appears. The other would be

populated by users who are absolutely certain of their ideas and seek evidence to support them before a trustees meeting or a congressional committee. The majority of users, of course, fall in between these extremes. In this internal range we find the grantmaker seeking to identify the organizations that best meet his agency's guidelines; or the foundation program officer who has identified a clear mission, but uses information to develop the best strategy for pursuing it; the academic researcher testing well-conceived hypotheses; or the service organization executive consulting survey results to identify the kinds of organizations that can most benefit from a workshop she is developing.

The second dimension refers to scope of the problem that data are asked to address. The poles of this dimension are defined, on the one hand, by the grantmaker using an interim report to see if a performing company has whittled down its deficit as it had said it would when it applied for a grant; and, on the other, by the public arts agency or national foundation seeking to develop a program to boost attendance nationally in all of the arts. Again, most users fall in between, using information on organizations in a particular arts discipline or geographic community to develop programs that will assist constituent organizations or enhance the quality of a metropolitan area's cultural life.

Most of our informants, of course, use data for different purposes at different times. One foundation staff member alone listed the following ways in which he used information on arts organizations: "as support material" in presentations to trustees of new program initiatives; "to make decisions about grants," "to shape program guide-lines," to compare the giving patterns of his foundation to those of its peers, to decide "whether to get in to a field or get out of a field," and simply to monitor a changing environment -- "to try to stay abreast of what is going on." Others in the foundation sector use arts organization data for "evaluative evidence of accomplishment in relation to the goals that they themselves have set for the grant that they are seeking." Others mentioned such things as "to try to make some sense of why some organizations are much more stable than others, and what the relationship is between them."

Although many of the day-to-day uses of data by foundation staff are oriented to immediate local problems and decisions, our informants also note the importance of aggregate data in permitting them to place their grantees' problems in national context, and distinguish between ailing organizations and healthy organizations that are trying to function under adverse conditions. "I look at the data with reference to individual

organization performance as part of our review of proposals," one program officer explained,

> but I like to look at the big picture as well to give me a better idea of what the climate is... If I see earned income going down sharply over the course of a couple of years across all of our dance organizations, it flags a problem that's not just a problem of this organization [having] lost their managing director...it suggests something broader.

If grantmakers span the range between local and general use with an emphasis on the former, academic researchers tend to be synoptic in their interests, using data to attain an overview of some discipline or larger field. In some cases, academic researchers are interested in applied or policy questions, such as the organizational culture of symphony orchestras, or the economic survival of dance companies. Others focus on addressing general questions that emerge from disciplinary paradigms. These might be whether nonprofit organizations deviate from economic "rationality" or whether patterns of "resource dependence" shape arts organization's programming. Although some may employ data on arts organizations simply because they are conveniently at hand, most university-based arts researchers combine genuine interest in and concern for the health of the arts with a concern for broader intellectual puzzles that motivate other scholars in their field. Many write up their research in both a technical version for a journal in their discipline and a more accessible version for the arts public. One researcher, for example, uses data on arts organizations to pursue a long-term interest in organizational dynamics, while donating his time and experience to service activities in the industry he studies.

Although many consultants have academic training, their purposes are usually linked to more concrete short-term objectives, such as advising a client on a particular decision or preparing an intervention in a public policy debate. One researcher, for example, worked with an organization to help "articulate the values that characterize alternative grassroots cultural work ... and to improve the public policy climate for this kind of work." Another reported using arts data primarily in his work as an instructor in arts management courses and in-service executive training for arts administrators.

Like their foundation counterparts, staff members of public arts agencies use arts data for program development and planning and to maintain an overview of the fields their agencies support. Financial data are particularly important for these purposes, though many are interested in information about audience size and composition as well. For example, a state arts agency staff member reports using data "to assess the state of the discipline more than anything else, and to know what the real issues are." She relies on reports from the National Assembly of Local Arts Agencies (NALAA) to learn about the impact of grant

programs on "cultural development activities in communities across the nation." She also keeps abreast of service organization data to maintain "a broad brush overview" of trends in the disciplines her agency supports.

In addition to these more routine matters, some policy makers use data on arts organizations to identify opportunities to influence their fields. One, for example, keeps an eye out for information about developments in the commercial art worlds that may generate revenues for nonprofit arts producers, and for data on the role of non-profit cultural organizations in training and developing talent that goes into the for-profit cultural sector. Other public-sector grantmakers are particularly concerned with understanding the impact of their own grantmaking. One seeks data that will enable her to understand the "interrelationship between public grant money and donor money."

Unlike many private grantmakers, whose programs are often highly focussed, arts agencies tend to give small grants to many organizations for many purposes. Consequently their application and grants files may contain a wide sample of arts organizations in the state or metropolitan region in which they are active. Many arts agencies use such information to identify "areas of specific need, whether the needs are organizational, developmental, whether it's an investment in product or marketing, it gives us a picture of what the organization's challenges are. It also helps us determine what initiatives we might also take and it also tells us what not to do." Such data, a federal policy maker notes, "describe a picture,... inform us of what our applicant pool is about, [and] help us determine how we should construct our panels in the future."

Almost all public and private grantmakers report an interest in monitoring trends in public and private support. And many of them are interested, as well, in trends in public participation in the arts -- both aggregate and by subgroup -- to explore the relationship between grantmaking, availability, and the demand for cultural participation. To achieve these ends, our informants report using, or wishing that they had available, many different kinds of data. We review their views of different types of information in the sections that follow.

Financial Data: "Numbers are Never the Total Story." When asked about the data they used, respondents reported that data on financial performance (fundraising, earned and contributed income, and expenditures) were of central interest. Many, however, qualified this by noting that such numbers are not in themselves adequate indices of an arts organization's health. As one foundation program officer told us: "We use both numerical data and narrative, subjective data, so we don't just look at numbers. And I think any significant database, or issue about collecting data, needs to look at different dimensions of data...[T]he numbers are never the total story."

Funders are particularly sensitive to the drawbacks of using standard financial indicators to assess the health of arts organizations. Many note that while data on financial performance, employment, and activity are important, it is equally "important for us to have a background against which we are funding all of these organizations" that includes information about such issues as trends in leisure time use and the relationship between audience behavior and such factors as income, race, and age -- "more of an environmental kinds of data."

Most foundation people look for whatever financial data on nonprofit organizations they can find. With all caveats in mind, one foundation respondent said that her organization examines a prospective grantee's liquidity, its current assets and liabilities, its fund balance or lack thereof, or deficit. They also look at whether or not it has paid taxes, or if it owes money to the IRS. They look to see if the amount of money that performing groups report as deferred revenue corresponds with the assets they report, which provides a rough indicator of the extent to which they depend on the next year's subscriptions to pay current expenses. They also look closely at the ratio of earned to contributed revenue, the availability of working capital, and at the sources of earned income. They review all categories of contributed income, to see how much comes from individuals, government, foundations, and corporations. They try to understand the budget, that is, how much money goes to artistic endeavors, how much is to debt repayment, production and so on. In considering grants to service organizations, they examine the balance between the revenues that members provide and the extent and mix of services that they receive. Another grant-maker reported that she uses data on non-cash contributions to community-based arts organizations as an indicator of community commitment. Often, detailed financial information is provided by arts organizations when they apply for grants.

Some foundation staff make use of reports that indicate what their peers are funding. In some cases they attend to particular funding decisions, for example scanning annual reports of other foundation arts programs. (Community foundation patterns are of particular interest to some because such local foundations are believed often to have in-depth information about the organizations in their communities.) They are also interested in more general funding patterns, of the kind revealed in the Foundation Center's reports.

Academic researchers and consultants have different data needs than funders. They often want different kinds of data, that is, many of them want to make generalizations about the field and therefore want comparable data on many organizations, whereas the foundation people often want very detailed information on specific organizations and are less concerned with overall comparability. When asked which data sources he uses in his work on arts organizations, one academic summed up a feeling shared by

most consultants and university researchers that "nothing is off limits." Most respondents in this category mentioned basic financial data as necessary for assessing an arts organization. This includes detailed information on funding sources, total revenue and total expenses.

Most university researchers and consultants cite the importance of reliable data on an arts organization's funding sources. One is particularly interested in the percentages coming, respectively, from government, corporations, foundations, and individuals, and in how the roles of these funders have changed over time. Others mentioned data about national, state and local government arts funding, and the arts organization's income and expenditures. One researcher has used the Foundation Center's guide to grant-making to identify major foundation arts programs, the extent of their grant-making and the organizations to which they contributed. Another uses information compiled by NALAA on current levels of per capita giving in communities to the arts, as well as aggregate information from *Giving USA* (an annual publication of the National Center for Charitable Statistics) and the C*hronicle of Philanthropy.* This respondents also used reports of the National Assembly of State Arts Agencies (NASAA) and other sources for information about public funding, including "appropriated dollars statewide and nationally, and per capita appropriations."

Academic researchers have a keen interest in information about not only foundation and government grants, but about earned income as well. Some employ information about revenues and expenditures from the IRS 990 forms that 501(c)(3) charities must file annually. Categories of particular interest include income from core activities and "unrelated" income (revenues from commercial activities that are not an intrinsic part of an organization's core mission). Most respondents agree that to understand revenues one must make relatively fine-grained distinctions among different sources. As one researcher put it, "With earned income, I like a breakdown for how much is ticketed, how much is fees, how much is royalties and how much is unrelated business income, not just one clump that says 'earned'."

Many researchers are equally interested in arts organizations' profile of expenditures, as these are associated with such factors as artistic output, deficit growth, and other factors. One university-based researcher stated that in the best possible case one would "have data on an organization for some extended period of time or a cross section of organizations or longitudinal cross-section of organizations so that I can study trends in profitability or net revenue." And many academic respondents share the concern that funders expressed about the larger environment in which arts organizations operate.

Respondents who follow trends in other arts organizations, such as umbrella organizations or museums, are interested in the same kinds of financial data that other respondents mention. One noted that he looks for key balance sheet and income statement information as well as information about project work

and financing mechanisms.

> We basically get data on all of the different disciplines and we spread them in a consistent fashion, and we have several years of history so that we can compare trends. If we are working with a symphony somewhere, we might look at the trends as to where they stand relative to their peers.

Staff of organizations devoted to looking at the field of arts organizations as a whole are particularly interested in industry trends. In working with particular organizations, they often ask whether the organization's activities are consistent with or deviate from fieldwide tendencies. They also keep a close eye on data on trends in giving and grantmaking from individuals, foundations, government and corporations. "I am constantly looking at information," reports one such informant, "to see what is the share of arts income that is coming from foundations, as a percentage of all private giving, and then how does this compare with how arts funding has fared from other sources, such as government." Other service organization staff are particularly interested in tracking innovations, and use data on organizations that employ innovative sales and fundraising techniques.

Respondents in the policy community are particularly interested in change over time in philanthropic contributions and government grants to arts organizations, and in the ratio of earned to unearned income. Like foundation grantmakers, those in the public sector express interest in gaining a detailed understanding of the organizations their agencies fund. In general, however, in comparison to private foundations, public agencies give smaller grants to more grantees, and thus are less able to become intimately familiar with the organizations they support. Therefore they are more likely to take an interest in aggregate grant statistics of the sort that NASAA compiles, such as the breakdown of grant-making by the recipient-organization’s location or budget size.

Operating data. Many of the people with whom we spoke evinced interest in operating data. By "operating data," we refer to such topics as the number and type of exhibits or productions offered to the public; the nature and capacity of performance and exhibition venues; number of performances a year; equipment available; special projects; educational programs; and collections (for exhibiting organizations) or repertoires (for performing organizations).

A policy maker emphasized the utility of such data: "The issue of output measures is more a function of looking at to what extent is increased participation a reflection of increased availability and supply, and making that supply-demand comparison." This, she admits, is difficult: "We all wrestle with that: What is it that our organizations do or what do they produce?"

Labor force data. Many respondents indicated that they use information on arts organization staffing patterns (both paid and volunteer) and salaries and compensation packages, and would like to have data on these topics that are more detailed and more reliable. Several foundation program officers expressed a particularly keen interest in this topic, because of what the trends indicate about the value of programs that they fund. One foundation program officer noted that his foundation had used such data to analyze the arts sector in its own community. He concluded that the health of the arts sector

> has much to do with the willingness of the labor supply to continue to devote itself to this sector. And it's our concern right now that the veteran elements of that labor supply, the people who founded these organizations, 25, 35 years ago, are now getting older and are leaving the field. And there certainly is a supply of labor, but it's not large enough to replace them. We believe this is one of the main causes of what we say right now: the decline in the number and output of cultural organizations in our area. As far as we can tell this is happening in most metropolitan areas in the US. We think that that's a more important trend than the loss of contributed income to arts organizations, which also seems to be a widespread phenomenon in the US right now.

Some academics seem to focus on personnel largely as an expenditure line in an arts organization's financial statement. By contrast, consultants and service organization staff report using information about staff compensation to document fieldwide norms in responding to inquiries about salary levels for new positions. Others, especially academics, indicated interest in information about the education and job experience of administrative and managerial staff, in order to understand the extent to which such managers are being recruited from arts or business backgrounds.

Audience, Attendance, and Constituency Data. Many of our respondents refer to this category as "participation data," a catchall phrase covering audience attendance and subscription purchase, museum visiting and memberships, and participation in educational or other special programs. This topic is of particular, though hardly exclusive, interest to grantmakers. As one put it, "We look for demographic information, where the constituency is geographically located, who they serve, as well as the ethnicity of the community being served, the ethnicity of the organization that is working with the community."

One policy maker expressed an interest in data on the numbers of arts organizations in a community, in order to answer the question: "Is there a limit to the number of organizations that can serve a community?" Another used data on regional performing arts centers from his particular region to examine how the growth of suburban arts centers has influenced performing-arts activity in nearby central cities.

A number of researchers note a particular interest in relating attendance patterns to particular performances and exhibitions. A person who works for a museum umbrella organization mentioned undertaking surveys of visitors to particular exhibitions that collect not only conventional demographic information, but also answers to such questions as: "Why did you come to see this exhibition? How did you learn about it? Did you like it? What did you find most interesting, least interesting? Did you take home the brochure?" Funders are interested in additional issues. One uses grantee audience statistics to see whether attendance numbers correspond to the types of contracts (monthly, yearly) by which performers are hired, with an eye to looking at the relationship between contract type and audience development. Another funder reported that her organization collects data on how the funded organization is perceived by the public. Another foundation person uses data on types of people who participate in the arts in the communities in which she make grants, and those who do not. She finds such data particularly useful when they provide hints as to *why* certain groups are (or are not) participating at high levels -- hints which may provide guidance for programs to change the patterns the research reveals.

A university-based researcher reported that he was interested not just in the audience's demographic characteristics, but in "who they are psychologically." Another looks at frequency of attendance, and still another wants to understand the issue of aging of arts audiences. Although research on individual participation is technically outside the scope of this report's focus on organizational data, a growing number of academic researchers believe that continued progress in the study of audience behavior will require integrating data on audiences and on institutions, so that we can understand the way in which aggregate attendance patterns are related to the menu of events available in each community, the programs that organizations are producing, and the marketing and subscriptions schemes that they employ.

Qualitative/Narrative Data. Having reviewed the more conventional types of data that our informants mentioned as important to understanding arts organizations, it is important to make note of another quite different type of data upon which many of them rely. Qualitative or narrative data are of special importance to users concerned with developing a deep understanding of processes peculiar to single arts organizations or to relatively small sets of organizations sharing a mission or geographic locale.

Foundation program officers reported making the most use of this type of information. Most of them report attending as closely to an applicant's narrative statement as to its financial one. Among the things that they look for in such narratives are seriousness of purpose, meaningful and concretely described projects and programs, the organization's mission statements, and the presence of programs related to the goals of education and outreach. As one foundation respondent puts it, "I rarely use what you might call data bases. We're most often interested in what we call snapshots, in other words, the current state of

whatever it is we're looking at, its practices or activities, not numbers." At least one foundation employs such approaches for the purpose of program evaluations: "The way we do evaluations and assessments is with much more qualitative strategies. We do a lot of what you might call ethnographic documentation." In some cases, such evaluation is relatively informal, as when participants in museum internships are asked to provide a narrative account of the usefulness of the experience.

Many of our respondents cited the need for qualitative historical data that could reveal not only *what* has happened to arts organizations and disciplines, but also *how* and *why* it has occurred. Several informants mentioned case studies in this regard. The only archive of such information that we discovered is NASAA's *Anecdotal Database*, which collects accounts of exemplary practices and programs that are submitted by state arts agencies on a voluntary basis.

Social and Community Impact Data. Many informants expressed a desire to understand the larger environment in which art organizations function. One arts consultant finds particularly useful data on the opinions of artists and arts managers on the status of their field, collected through conventional interview techniques. Although he recognizes that such data may seem "soft" to some, he feels they are particularly valuable for monitoring the state of an artistic field and its environment. Other informants report regularly using information about how the public perceives arts organizations. In some cases, foundations have conducted their own community surveys or focus groups to gather such data.

Contextual data, often narrative in form, were cited by a number of informants who work with arts organizations that have special relationships with communities of color. One arts administrator who helps such organizations "articulate what are the values that characterize alternative cultural work in general and how can the people in this kind of work advance their status and improve the public policy climate for this kind of work" reports making extensive use of focus groups.

Some academic respondents report a particular interest in community-level economic data. One uses such data to study the economic functions of nonprofit arts organizations, very widely defined. These are not just contributions in lieu of taxes, but cross-subsidization of services to low-income clients by revenues received from the wealthy, the relationship between income and access to services, spill-over effects of arts activity on property values in surrounding neighborhoods, the impact of suburbanization on organizations' membership, and cooperative relationships and economic ties to other nonprofit organizations in their communities.

Several other respondents mentioned using the results of studies of the economic impact of arts sectors on their communities. (Such studies ordinarily combine information about employment and attendance levels at local institutions with assumptions about economic "multiplier" effects to generate

estimates of the art sectors' role in generating jobs and retail sales of goods and services. At times such studies are integrated with research on municipal arts support to provide estimates of economic returns to public investment in the arts.) Another person who studies museums looks at data about site placement, and from a macro perspective, what a museum's role is in attracting visitors into the state. Although most informants express reservations about such studies (either because they question their validity or because they question whether economic impact is the best criterion for justifying arts activity), some say that they find such reports useful for purposes of education and advocacy.

The Data People Need

Existing data systems provide much data that people use in their day to day work, but they provide only a portion of the data people need. In particular, much information that respondents described as important for the field is not collected, falling between the cracks of the various domains for which service organizations and government initiatives take responsibility.

Three criticisms of current practices emerged repeatedly:

➢➢➢ Data currently collected leave out too much, focussing predominantly upon the financial condition of established cultural institutions to the relative exclusion of almost everything else. As a consequence, we know little about many things that are critical to our nation's artistic life.

➢➢➢ The practice of reporting data in gross aggregates obscures too much detail, especially geographic detail, that would be useful in interpreting trends. Given the expense of collecting data, reporting is too often superficial, and information is too rarely available for secondary analysis.

➢➢➢ Data often take too long to reach their users. Although some data are collected and reported annually, results of many studies take years to appear, and may be outdated by the time they reach the public.

A number of respondents mentioned how useful it would be to have an up-do-date, clean listing of all nonprofit arts organizations. One viewed the absence of fundamental information "about the arts infrastructure" as typical of broader neglect of all kinds of infrastructure in the contemporary United States.

Many respondents spoke of the need for more information about arts organizations that focus especially upon Latino, Native American, Asian-American or African American communities and cultures. As one of our respondents put it, "This information is very important in a discussion about improving support for minority arts organizations and, I think it's going to become really critical because a lot of effort is going to be placed, if it isn't already, on increasing individual donors' support for arts

organizations." Said another,

> if groups started to include Asian American artists in the various directories that come out, then we wouldn't have to publish our own separate directories. Asian American artists do not want to be segregated. Another thing is if there is information about organizations of color or artists of color, if it's broken down at all, it's African American or Latino, and maybe because we (Asian Americans) are a smaller population segment, we don't seem to be included. Also in diversity issues, it tends to be black and white, rather than black, white, Latino, Asian, Native American, whatever, and it is different.

Others noted the paucity of information on community-focussed arts organizations more generally (except for data on local arts agencies collected by NALAA, and the absence of comprehensive data on arts and cultural programs sponsored by community-based organizations of other kinds.

A number of respondents spoke of the need for more well-conceived case studies of arts organizations and their relations with their environments. Others called for well-focussed studies of small sets of comparable institutions that combine the advantages of case-study and quantitative research. One grantmaker asked,

> How do you cluster behavior in different institutions in such a way so you can discern patterns and know with some confidence that this kind or sets of behaviors implemented over this period of time is more likely to lead to this outcome than that outcome? That's the kind of information that we need. But it is a source of tremendous frustration for me that there isn't anything that we can turn that says: Oh, here is the experience of twenty institutions trying to do this kind of work, and the majority of them have these outcomes when they do thus and such.

While many informants wanted more information about successful programs, one spoke of the usefulness of cases studies of failures, so that we can learn from our mistakes. Several respondents noted the importance and current lack of data on the role of volunteers in arts organizations. We know little about the extent to which nonprofit arts organizations of different kinds depend upon volunteer labor, or about the kinds of roles that volunteers play.

Financial data. The major priority our informants articulated for financial data is comparability -- across organizations, across disciplines, and across time. A grantmaking organization expressed these concerns well:

> Comparability between disciplines would be critical to me. It almost does not matter what you could collect, if you could compare it between disciplines and see any kind of trend

> going on would be extraordinarily useful. Agreement on what is earned and what is contributed, things as basic as that. I know from organizations I work with when I flip through service organization surveys, I'll see numbers which I know are outright wrong. I'm quite sure it's from the way the question is asked or the fact that the organization doesn't understand what should be there in that line. You can get all the information you want from TCG about theaters, but you don't know how that compares to dance, or other things.

Researchers express the greatest dissatisfaction with the current form in which data are available. One bemoaned the lack of a comprehensive source of information on income sources to nonprofit fields that is more detailed than the aggregate figures provided by Independent Sector (a service organization for the nonprofit sector as a whole), and emphasized the need to disaggregate data by industry and, within industry, by organization size. "Some associations have built up good historical information on sources of income, and they can provide even subsets of that by size of organization. But lacking size of organization, the information on income sources can be very misleading," said one. Some respondents called for more effective use of data already collected, by reporting profiles of organizations aggregated along a range of dimensions, such as city size, budget, mission, and audience capacity. For example, one respondent called for "regional profiles of similar type organizations in comparison to proportion of earned income."

Another researcher believed that data based on IRS 990 forms were inadequate for many purposes because they aggregate all "unearned" revenue streams, including government grants and charitable contributions. This informant called for specificity in revenue data, such as "detailed data on charitable gifts, as well as the specific grants that they've received and the origins of those funds, whether these were federal, state, or local, and in fact which agencies of federal, state, or local support they were." Many people mentioned the importance of tracking national funding patterns, and one even suggested that it would be useful to see a list of "those who are not being funded." (Note that a data set on a broad range of organizations with detailed revenue information would enable researchers to compile just this kind of list, as well as to make inferences about the relative emphases of different kinds of donors and grantmakers.) Grantmakers in particular wanted to be able to compare their own giving patterns to those of other grantmakers, and also to trends in giving by individual donors.

Several respondents expressed concern about current congressional attitudes towards support for the arts and felt that public agencies could have enhanced their prospects by collecting certain kinds of data routinely. One foundation person said,

> If the NEA had required reporting data that would have allowed one to recapture the ripple effect of their dollars, they would be in a much stronger position now. Because a dollar that

> goes out to a regional association that gets regranted to a local group, which then gets used for a festival, let's say, which has the effect of building community, or peace, or whatever... None of those cases are retrievable because of the [lack of] information.

Other informants wanted data that would enable them to project the impact of declines in federal funding for the National Endowment for the Arts. One informant expressed concern that as a result of the "destruction of the NEA as well as the decline in funding from private sources, arts organizations of color are disproportionately going to be affected" and sought "specific information on how to avoid that disproportionate negative impact on organizations and artists of color."

One anticipated effect of cuts in public and perhaps private arts funding are higher "death rates" for nonprofit arts organizations. Several respondents noted the importance of tracking such rates systematically for different kinds of arts organizations, and one respondent called for the collection of data that would make it possible to assess the impact of organizational extinctions on the access of audiences to the arts. This informant felt that case studies of communities in which arts funding had diminished would be particularly useful, especially if they focussed on the influence on consumer behavior.

Although informants, as a whole, expressed far more interest in data on revenues than in data on expenditures, several did mention the latter. A number of respondents called for more detailed and reliable data on expenses, especially for development, marketing and fundraising. (A university-based researcher suggested that data sets routinely include organizations' employer identification numbers, which would "facilitate the ability to cross-match data and combine it. Then you'd have an absolute certainty that you were dealing with the same organization. Because sometimes the name changes over time or there's a colloquial name and not a legal name.") Others felt better data were needed on production costs and payments to artists. With such data, one informant noted, "We can look at...how many performances they do, the number of seats they have, and try to get a sense of how much it costs for every seat in the place. And then look at the price of the ticket to see what the differential is."

Operating data. While grantmakers and service organization staff expressed particular (although by no means exclusive) interest in financial data, academics more frequently called for additional data on arts organizations' activities and productions. One academically-based researcher felt that data collection had been focussed to an excessive degree on economic data:

> There isn't enough capacity to link economic data with product and participation data. So that in a way, a lot of service organizations have focused on developing aggregates on an economic character, and they made a lot of advances on this and have got some time-series information. But to do anything really interesting in terms of analysis and impact, you've

> got to be able to cross it with product and audience information. That three-way interaction is next to impossible to really get.

Another university-based researcher called for collecting data on arts productions in such nontraditional venues as malls, storefront museum exhibits and the like. "We've been much too narrow in trying to get a sense of impact and value," he said, "so that we're stuck with... financial data to demonstrate worth. We can't get at social worth, can't get at cultural impact, can't get at educational effect, because we're not collecting the data."

Labor force data. Many people mentioned a need for detailed information on staff salaries. Said one arts administrator: "We don't provide salary information about non-nationally competitive type jobs, like security, maintenance, clerical, and so forth. The theory is that those relate to the local markets...I would think it would be valuable to have a little more of that data..[W]e're completely in the dark." Another expressed a particular interest in information on benefit packages, including health insurance, for employees and contractors.

Several informants spoke of the importance of learning more about the numbers of volunteers and the roles they play in arts organizations. "I'm interested in the volunteer question," said one arts researcher, "because volunteering is the best predictor of giving." Another wanted more information not only on volunteers but also on trends in staff turnover and qualifications, to learn about the kinds of people their field attracts, and the extent to which they are appropriately compensated.

Audience, attendance and constituency data. Many respondents expressed an interest in more information on arts audiences. In some cases, they believed that such information could be useful in helping arts organizations market themselves more effectively. There are "all kinds of variables affecting audiences, like weather, wars and so on," said one, "which we don't understand." Others noted that data could inform the design of programs to increase participation in and access to the arts: "Why don't people go to arts events? What are the impediments? What are the barriers?" one asked. Others were interested in trends in participation. Another researcher added that "the economics of participation hasn't been enough emphasized; the extent to which the art world in the US is an upper middle class phenomenon." Audience demographics were also mentioned frequently as important indicator of the well-being of arts organizations.

One informant cited the importance of research done on the link between educational levels and arts participation levels, or income levels. Several others called for research on the racial and ethnic diversity of audiences and the attendance patterns of people of color.

Others called for efforts to go beyond conventional demographic analyses. One foundation person

"would love to see some audience analysis that tried to examine leisure time availability, and influences of new technologies, and to see -- if there is any way of getting at this -- if there have been massive societal attitudinal shifts that are also affecting the interests of audiences in the arts."

Another researcher called for more collection of public opinion data. For audiences, "it's not only what are you doing, what did you do, but what would you like to do? Why aren't you doing more of it?" What kinds of arts experience do Americans want for their children?" he asked.

One informant called for more research on the ways in which people make art, as well as consume it. "We're also interested in the subjective dimensions of that experience: what people get from it, what effect it has when people have access to the arts in different ways, and what the social and educational implications are of such participation."

Several things are striking about these responses. First, even though interviewers asked explicitly about data on *arts organizations*, concerns about audiences emerged again and again. Second, respondents, especially university researchers and funders, expressed a need for data that already are widely collected and reported, at least in some forms. Third, informants also wanted certain types of data -- on audience experiences and public attitudes, for example -- that are currently much scarcer.

Do these concerns bear on the problem of collecting information on arts organizations? Perhaps one lesson is that data on audiences need to be integrated more closely with data on organizations, so that we can speak not only about audience composition in aggregate terms, but also about the relationship between an organization's characteristics and programming and the composition of its audiences, and so we can relate audience attitudes and reactions to the services they are receiving. Many arts organizations, especially art museums, already undertake research of this kind in-house. What we may need are data sets that enable us to generalize beyond the experience of particular institutions to whole fields.

Qualitative/narrative data. Respondents of all kinds expressed frustration with the quality of available data. Often their objections emphasized such technical deficiencies as comparability, reliability, and completeness. But many expressed a broader dissatisfaction, less easy to articulate, that the data elements available to them failed to capture what is crucial about the fields with which they worked.

"We do not know the landscape on the most basic level," reported one foundation person. "We don't have the most basic material." He felt that for a broader view one needed to go beyond statistics to use the tools of "the interpretive social sciences," that try to find meaning." Several others emphasized the need for data on organizations that fit poorly into conventional definitions, but stand outside the professionalized art worlds to serve different communities with unconventional programming or styles of governance.

Others called for routine collection of data that speak to the motives and missions of arts organizations and the people who work in them -- for example, data on "people's expressions of their interests and convictions" that could inform the development of programs of action. One informant spoke of the need to learn things about the experience of arts attenders that surveys cannot easily apprehend. For example, studies of first-time audience members that would invite them to describe the quality of their experience could be useful to arts managers and grantmakers interested in audience development. A museum researcher called for partly qualitative research on how people learn in museums.

Some called for historical studies employing narrative, as well as statistical techniques. In addition to more conventional time-trend studies that linked financial data on arts organizations over a decade or more, they called for qualitative profiles of the development of art forms, based on information from a wide range of sources.

Many people called for more high quality case studies. "More perhaps than databases," said one, "I think case studies of successes as well as failures are very important." Another stated it this way:

> One of the frustrations that the field is feeling is that we are in this period of rapid change. And there are new models of operating that are emerging. Some are enjoying great success, and some less success...[T]hose models need to be documented, made available to a broader constituency sooner, so that they can be adopted where appropriate, and put into practice...[E]ntrepreneurial models need to be made accessible.

Respondents expressed particular interest in case studies that would reveal information about the organizational dynamics behind exceptional performance. If a museum, for instance, had a successful year, a case study could cast light on "the complex interplay between planning, programming, marketing, community relationships, funding, leadership [that was responsible]...What happened? What changed? Is it sustainable? Is it replicable? That stuff I don't think you can quantify, but it's critical to understand what is going on in the field."

Others called for case studies that could shed light on the relationships among organizations within the arts field, such as those between grant recipients and public or private grantmakers. Another called for case studies of the role of arts organizations in the policy process: How staff and trustees, for example, interact with local government and state legislatures to influence "the subtleties of politics and legislation."

One experienced consultant called attention to the special value of case studies in communicating research lessons to people in the arts fields. "I have a feeling that abstract [quantitative] data, the kind of data that I love, is not something that is widely understood in the non-profit sector," she said. "On the

other hand, the kind of narrative and anecdotal non-data, or non-numerical data, that we used to piece together a case-history" was very well received. "I think there's a lot more respect for that. People read through the narrative, and there was some data in there, and it read to them like a novel. And we got much more penetration of the arts than we ever had through anything that is more numerical."

S*ocial and community impact data*. A theme in many conversations was the need to take an anthropological approach to the arts, to look beyond conventionally structured "arts organizations" to find all of the organizational venues in which the arts are being practiced. A second, related, theme was the need to focus on relationships among arts organizations and other community institutions -- what one informant referred to as the "cultural ecology" of the arts and communities.

Several informants from the museum community wanted more information about the impact of communities on the museums that serve them. "Unless you understand the context (the community) within which you are working, you can't improve," said one. By context, she refers to not just demographic or economic characteristics, but also the interacting web of organizations with which the museum may collaborate. This, she suggested, "is an element in communities now that is going to become more important to the health of the arts in this country, yet I don't know that we're capturing anything about them at this point."

Several respondents called for research that takes account of the other side of this relationships, that is, the impact of arts organizations on cultural life at the community level. One respondent described an effort to develop "cultural indicators" that communities can track over time to assess the quality of their cultural life, and noted the importance of ascertaining the contributions of cultural sectors to community vitality. "There really hasn't been anyone trying to understand the connection in a way that's more than just rhetoric. I'd love to see some methodology developed, some research done, some concentrated effort put into figuring that out."

A number of informants spoke of the importance of integrating statistical information in a way that facilitates a richer understanding of the interaction between arts systems and local environments. Others emphasized the importance of collecting data on arts organizations' cooperative relationships with their communities' public schools and other local organizations.

Perhaps reflecting the de-emphasis of federal initiative in the current political climate, many informants evinced interest in studying arts systems at the local level. "City comparisons are difficult to do, but very much needed," said one. Research on local government support for the arts presents its own challenges. "You ask one city, what does the local government give to the arts and you get a number and you realize all of that is the general fund and it doesn't include things like support for facilities or public

art," she reports. "And in other cities they include everything, every dollar that is given by every agency, and some even include things like indirect costs that are allocated by staff working on administering arts facilities or something like that."

Finally, several people mentioned the need for data for advocacy and public relations. "We have bits and pieces, but it's not well organized," said one. "I would like to see just where the dollars are coming from [for the arts] within the local governments, and some of the subtleties of politics and legislation, and what are all the variables that go into that," said another. "When you talk with the head of the Senate Finance Committee you have to be able to say: "Mister Chairman. If we do this, we can show you that X number of people will benefit in such a way."

One respondent believed that it is important to study arts organizations in the context of other nonprofit industries. "Arts organizations are competing for the same funds as other non-profits are. So I worry about doing a study in isolation that makes it appear as if their livelihood and future is idiosyncratic just in the arts." For data on the arts to be comparable to information about other nonprofits, it would be necessary for questionnaire designers to take account of instruments used to survey other major nonprofit fields.

Criticisms of Current Data

"The field is not one thing, it's a number of feudal states that don't talk to each other and don't see bigger patterns that connect them."

In the previous section we described the data that our informants believe the field needs. In this section, we describe the deficiencies they perceive in the data that they currently have. Their comments are useful less as an evaluation of particular systems of data collection -- often the deficiencies they identify reflect the fact that data are collected for quite specific, limited purposes -- than for the guidance they provide to those who would collect data for the use of the field as a whole.

Lack of comparability. As one respondent put it, "we are getting apples, oranges, grapes, bananas...People collect information in totally different ways and use it in totally different ways." It is difficult for policy analysts to produce broad surveys of the condition of the arts because they lack the data to permit confident generalizations across disciplines or, for most purposes, over time. Most of the researchers we spoke with would agree with the informant who complained, "You have to make yourself an expert in each data set and then get all of the qualifications on it. So, in effect you end up writing

twenty pages of qualifications and explanations of the data set, and maybe you can write ten pages of what you can come out with from it."

Although the people with whom we spoke recognized that service organizations collect data for their own needs, many felt that there must be some way that the results of their efforts could produce information of broader interest. "Although there are at least four significant organizations collecting the data," one researcher complained, "they all collect it in a different form, they use different fiscal years, they use different statistical methods, some project a sample on the whole, some just rely on tax returns, so you end up with just apples and oranges. This is a real problem." Another researcher noted that only a few service organizations (see chapter 2) maintain panels of organizations that report data in standard form over long periods of time, a minimum requirement for charting trends. (The optimal requirement -- that the organizations in such a panel represent a statistically valid sample of all the organizations in a field, stratified by factors believed to have an important influence on the characteristics with which policy makers and managers are concerned, may seem so unattainable at present, that only one or two of the people we spoke with even brought it up.) These comments and others like them point to the possibility that a modest increment in resources for service organization data collection efforts, along with a shared commitment to producing standard information within constraints of particular association's needs and respondent capacity, could dramatically increase the utility of data that are already being collected.

Frustration with data collection systems is not limited to the disciplinary service organizations. Some researchers also complained about state-level data. "If you go to the level of state funding," one contended, "and you try to talk about distribution patterns and compare them with private funding patterns, it becomes immediately clear that there is a lack of any consistent way of collecting and coding information. It means you can't make those comparisons. You can put a lot of effort into it, and still what you end up with is not very enlightening." Such complaints persist despite the existence of an elaborate multi-field grant-coding system (the National Standard, described in ch. 2) backed up with extensive technical assistance for respondents and meeting with substantial compliance from the field. Comparability problems are all the worse for federal grant data. Although the National Endowment for the Arts makes grant information available to researchers to code themselves (a costly and uncertain endeavor), it has categorized grants only by program category and geography (by state). Ironically, although NEA funds supported the development of NASAA's grant classification system, the Endowment itself has never used the system to classify its own grants.

If data on state and federal grant-making are imperfect, local government funding is the dark side of the moon. A respondent who sought to compare local public support for the arts and culture in his city

to that in other U.S. cities reported:

> We were totally unsuccessful in getting usable comparative data. Partly because there's many different avenues through which cities and municipalities support their culture, but also, because in other cities as well as in ours, there doesn't seem to be a place you can go where people will give you a comprehensive picture of what is going on.

Several respondents complained both about the paucity of panel data (studies of a constant set of organizations over time) and about instability in the research instruments in those panel studies that exist. "If you want to survey change," experienced researchers caution, "don't change the survey." According to some respondents, this axiom is often ignored, with major surveys asking questions differently from year to year. "The internal counts of what goes into which categories may shift from year to year, from art form to art form."

Simply maintaining comprehensive lists of active arts organizations from year to year, perhaps with a few data elements like size and mission, would be invaluable, some respondents told us. Such lists would make it possible to study organizational stability and to compile essential demographic information on the "vital rates" -- death rates for existing organizations, and birth rates of new ones -- that have a profound impact on the overall topography of the arts.

As we shall see below, in the section on reactions to the idea of a unified national system of data collection, the appeal of standardization and comparability is restrained by the recognition that any particular standard is likely to serve only some research purposes. Clearly, it should be possible to make the system as a whole much more systematic and much more efficient. At the same time, achieving comparability involves many tradeoffs -- economic, of course, but also tradeoffs between detail and comparative scope, between utility for any single user and applicability to the needs of the cultural field as a whole, and between thoroughness and respondent burden.

Incomplete coverage and response bias. Response rates in surveys of arts organizations are often low, often below the levels necessary for minimal confidence in generalizations emerging from research. Moreover, few reports describe systematic tests for response bias (i.e., comparisons of respondents to nonrespondents on variables that are publicly available such as location, discipline, and in many cases mission or size).

Where response rates are acceptably high, as in some of the service organization's surveys of their members, many researchers complain that only a limited range of organizations appear. These are often the larger, more established institutions (by design in service organization research), and only

organizations in certain disciplines. It does appear that most research is biased towards larger organizations, either because they are over-represented in the universe from which the sample is selected or because they are more likely than smaller organizations to respond. The extent to which this matters depends, of course, upon the purposes for which one wants to use the data. Service organizations and researchers primarily interested in accounting for the bulk of activity (whether defined by operating expenditures, productions, or audience members served) in a field may find that current practices serve them well. Researchers trying to understand the contours of the art world as a whole and the interrelationships among its many parts will find such bias far more costly. As several of our informants noted, researchers using service organization data should be very cautious about the population of organizations to which they generalize their results.

Grantmakers, policy makers and researchers who are concerned about organizations of people of color find this problem particularly vexing. Although some such organizations are well established, many believe that organizations with special relationships to communities of color tend to be small, unconventional in form, and less likely to affiliate with disciplinary service organizations than other organizations. In so far as this is the case, such organizations will be undercounted by most sampling methods and surveys will underestimate their number and importance. Moreover, some respondents suggested that such organizations are less likely to respond to surveys than are other organizations. A person who works with minority arts organizations told us that researchers often complain that

> one of the reasons they don't have data on Latinos or organizations of color is because they don't respond to surveys. They fail to analyze why they don't respond. Like everyone else, people are very busy, and they don't see relevance to the data being constructed -- it doesn't speak to their reality and it does not address their needs.

Unreliability. Many of those with whom we spoke took the view that, as one of them put it, either one collects the data oneself or one settles for data of dubious reliability. Financial data are perceived as most problematic, even by those who *do* collect their own data. "We have an organization to which we gave $100,000 last year," said one grantmaker by way of example, "and they listed last year's grants total as $25,000. It was a little disconcerting to discover our very own grant being misreported."

Another researcher thinks that because there is no standard for data collection, everyone puts the data together to fulfill the needs they have. "As we all know, you can skew that information one way or the other. Without even being conscious of it, you skew it." A university researcher explains how she deals with unreliable data: "As long as one keeps in mind the organization structure changes that occur

over time, especially in arts organizations which change with distressing regularity, then with that caveat in mind and willingness to use, say if you are using longitudinal data, a liberal dose of dummy variables at times of structural change, then I'm confident enough." She went on to explain that this method is only viable with large organizations, such as major orchestras or theaters that have been in operation a long time and report data consistently.

Panel surveys of individuals are ordinarily rather reliable over time, because such "variables" as age, gender, or educational attainment are calculated the same way from one year to the next (even though their values may change as people become older or more educated). By contrast, panel surveys of organizations rely on statistics calculated by the respondent itself, which creates an additional level of complexity. One person who has worked with grants data from a state arts agency discovered that the agency occasionally changed definitions of some data elements, or changed coding conventions in some of the fields in ways that altered the information that applicants were expected to provide each year. As a result, she complained, "We just don't know how accurately organizations were filling out these application forms. And our suspicion is that some did it and made direct references to audits or other very reliable sources of data within those organizations, and some of them were very sloppy." Another researcher who used data on academic arts administration programs discovered that each program interpreted the questions in its own way. "I made some educated guesses," he said, "but I wasn't able to use the data in as rigorous a way as I would have liked to. I used it to illustrate, I didn't do any statistical analysis."

Cultural bias in survey design. A few respondents believed that much arts research is biased in the very questions it includes:

> My biggest problem with the data is the way it reflects the biases that are built into the existing systems of art support. So they reflect the intentions of arts agencies, for example, to professionalize administration, or to improve the living standards of artists. Many alternative organizations are not in a position to achieve those aims, because of the cultural biases of agencies that are dispensing the funds. They make the best accommodations that they can, but often times they don't then look as good statistically when decision makers are using statistics as a benchmark for which groups are deserving of support or not.

A person who works for an arts organization that is culturally specific complained that existing arts data are constructed on faulty assumptions, and that "there's no acknowledgement that there is an ignorance about the Latino community as a consumer, as an audience. So the numbers they [the service organizations] produce are irrelevant" to the concerns of Latino organizations. "Part of it is because there

are erroneous assumptions made in terms of the way many of these surveys are constructed, and actually executed. They don't know what constituents to reach."

Problems in the way data are reported. Respondents identified two major problems in the manner in which the results of arts research reach the public. The first is that once data are collected it takes too long for findings to be made public. The second problem has to do with the way in which reports are designed and presented .

Several people we interviewed complained about the lapse of time between data collection and publication. "We never get data quickly enough," said one, "it's always three to five years out of date." Much information is perceived as stale by the time that it is released. For grantmakers and others interested in small-scale or community-based organizations, information as simple as lists of active arts organizations has a brief shelf-life. Speaking of such directories, one informant noted that "as soon as you put one together and distribute it, it's out of date."

Respondents expressed concerns about the ways in which data are presented once they finally reach the arts community. Researchers complain that data on grants from state and federal agencies are released in such general categories as to be of little use. Similar complaints were voiced about the manner in which service organizations present the results of their surveys, and about the statistics on giving and grantmaking compiled by the National Center for Charitable Statistics.

One consultant who works regularly with arts data reports that varied reporting formats and challenging prose styles make it difficult to understand the arts field if one is not a professional researcher. "Most other people have absolutely no background in research. They don't know how to read what's in front of them. All of it has to be explained simply, and somewhat engagingly. And they have to be reminded each time what everything means." Another, speaking of service organization data, mentioned that the presentation format and the focus is different with each discipline, and that this makes them difficult to use. Another person finds that there are so many conflicting results that people without advanced degrees may be unable to interpret them. "For example, there are a lot of competing reports out on what has happened to corporate funding over the course of the last few years. Some suggest it's been flat or declined, and some suggest that it's increasing. That's a problem, because what's true? How do we know?"

For their part, researchers expressed frustration at what they perceived as a tendency for grantmakers and other policy makers to ask for more information when they have not used research results that are already available. One complained of sitting in a meeting at which practitioners spoke feelingly about the need for data that his organization had collected, published in a summary form tailored for the

nonacademic reader, and, he believed, publicized widely.

When researchers grumble that their work is ignored while research consumers grouse that research results are unavailable, something clearly is amiss. Rather than attempt to apportion blame for the situation, we are inclined to flag the problem and encourage the research and practitioner communities to devise some means to its solution. When research results -- whether these are formal reports or data sets worthy of additional analysis -- are unused, it may be more efficient to exploit them fully than to spend money on more research.

Data collection systems do not capture small, ethnic, community organizations. Many respondent were quick to complain that most existing data sets on arts organizations do not represent all facets of the field, especially organizations of color. According to many, such organizations, as well as other small arts organizations that serve urban, rural, and small communities, often are not included in reports by service organizations. In some cases they are too small to join national service organizations; In other cases they are not interested in joining. In still others, their programs may not place them squarely into any disciplinary pigeonhole. In still others, they may be ignored because they are legally part of a larger community nonprofit that is not identified as an "arts organization."

Many who are interested in such organizations find service organization data of little use. "I do look at them," said a respondent from an organization with a largely minority constituency,

> but I find I don't use them a lot because they have not included our constituents in their study. So often times what is most interesting to me is what is omitted, because that tells me what we need to be doing for our research. And often, I think it's omitted because they don't know how to reach our constituents.

One respondent who works in an organization of color called attention to a reluctance on the part of some artists of color to cooperate with researchers. "There's a historic lack of trust," she said, "and I'm not comfortable with being studied. Because what has happened in the past, instead of directly benefitting the field, these types of data collection, even this type of survey, seems to benefit one or two very large institutions and aren't really representative of the field." Another, speaking about a major service organization's data: "We know for a fact that they probably don't have information that is relevant to our issues. In fact, they have been criticized for being too white and not including organizations of color."

For grantmakers or researchers interested in other small or community organizations, there are similar frustrations. Says one:

> The categories of most mainstream collections are defined by the larger institutions, and there are unique facets of the smaller institutions that tend to disappear. For example, a lot of the alternative theaters that are out there aren't receiving subsidy that would make their personnel budgets reflect the amount of time that's being invested in the theater's work.

Many of our informants would agree with the consultant who said of organizations that are not considered mainstream: "People are active in a fringe area, and as yet there is no data gathering going on to provide some kind of support sector that's sensitive to the values they operate by, and how different they are from the mainstream art world."

"Nonprofits are different." Respondents with a particular interest in performance assessment were keenly aware of the peculiarities of nonprofit organizations that make data gathering for this purpose especially difficult. One arts agency staff member pointed out that nonprofit organizations do not mainly measure themselves on a profit or loss basis, so "it's hard to make the case to the government that we're funding deficits of organizations because in their mind it means they're not well managed. We have to look at staff and make-up and audiences being reached" for our evaluations.

One grantmaker noted the difficulty of evaluating the arts in a corporate-dominated culture that emphasizes measurement of the bottom line. Arts organizations, she notes, can count "numbers of bodies or seats, gross revenues, economic impact -- all these areas are important to buttress the defense of the arts, but in the end they are dangerous arguments from my point of view." In the corporate world, if sales are stagnant, one eliminates a product or service. By contrast, a foundation tries

> to develop alternative resources in at-risk communities or...promote innovation. I think the quality, the integrity of the work, not just that it is an honest effort, but that it is of high caliber, is what counts. But can I put a number on quality? I don't know whether anybody's been able to come up with a viable measure.

Access to data. Several researchers complained that secrecy and suspicion frequently hindered their research. One consultant complained of difficulty in getting other researchers to share data, and a number of researchers complained of the policies of the League, which they described as "very secretive" and playing "their cards awfully close to the vest." (As we noted in chapter 2, League staff acknowledged an historic reluctance to share data, but suggested that their policy had changed recently.) A foundation person complained about the NEA: "We thought we'd have greater access to the data at the NEA, [but] we get bits and pieces. I always thought for years that they have all of those data and everybody's dumping it in with final reports, and it's just stacked up."

One informant felt that the field's attitude towards research had deteriorated in recent years. "I think there is less information collected in the industry now than 10 years ago," he said. "I think they are more suspicious. Everyone leaving the arts becomes a consultant, so it is true that the institutions are hounded a lot. Maybe that's one of the problems, just the volume of seekers of information. Plus a lot of graduate students who are writing theses."

Does the Field Need a Unified Data Collection System?

"*The problem is, most of the interesting arts organizations don't fit onto a neat accountant's form*."

As the introduction to this report indicates, arts philanthropists and grantmakers have for many years bemoaned the disorganized and unreliable state of data on arts organizations and dreamed about rationalizing the collection and reporting of such information. Indeed, an explicit part of our charge is to explore the feasibility of a unified system for reporting and archiving standardized over-time information about arts organizations. To this end, we asked our informants their views on what kind of system would best serve their needs and what they perceive to be the needs of the field; the data elements such a system would include; suggestions about how such a system might be designed and implemented; and concerns about possible unintended consequences if such a system should be implemented without great caution and care.

In asking informants their views, we made it clear that we had few presuppositions about the form such a system would take. Our definition of "unified system," which we believe our respondents understood, was that it be inclusive of as many professional nonprofit arts organizations as possible; that it ask a standard set of questions that all respondents would answer; and that it be conducted annually so that results could be compared from year to year.

What the Field Needs

Many, but not all, of our respondents favored the development of such a data base as a means of providing essential comparative information and breaking down a perceived parochialism within the several arts fields. Many believed that unified data would be useful because, as one state arts agency executive director put it, "there's a great hodgepodge of information and there's a great gap of competence and capability from the various sources that have been put together. So it's very difficult to do much more than tell stories."

Some informants believed that NASAA's National Standard system could serve as a basis for such a system already. "To me," said one, "it's more a question of taking what everybody's already figured out

and implementing it more fully and consistently, so we'll have good reliable data over time. Quantity is in a way less important than quality."

Other respondents questioned the purpose or feasibility of unified data collection, and were skeptical about what it would cost and what it would accomplish. Whatever their attitude, all agreed that any effort of this kind should start with a clear understanding of the purposes it is meant to serve. As one program officer at a foundation said: "I'm a great believer that we need much more data gathering, but we have to think hard about what we need it for... Collecting it for its sake is...hard to justify, so finding the reasons why we need this is critical for the exercise."

Several respondents voiced concern about whether such a system would cover adequately the kinds of organizations -- small, community-based, minority, mixed-discipline, artistically cutting-edge, or combinations of these types -- they feel are too often left out of the samples from which data are already collected. One respondent who works with minority arts organizations worried about coverage cautioned:

> Everybody talks about the royal "we," and says "the field needs this or that..." Well, who is the field? Are you quite certain we identified who the field is? Because I know for the most part, most of the artists and organizations that we talk to nationally are not even a blip on the radar for the field.

Other respondents questioned whether such a data collection system was a wise investment in the current economic and political climate. "It sounds to me," she said, "like a lot of this data gathering is probably very useful meat and potato stuff, but it's not going to be terribly informative to anyone but the disciplines themselves, and it's not going to help the disciplines survive."

A More Global Perspective on the Arts

Many respondents, however, felt that developing such a system could provide an opportunity to place the arts in a broader cultural framework than has often been the case. Such respondents recommended that any system embody a new vision of the place of the arts in society, a vision that goes beyond the view of the arts as a collection of disciplines that, in turn, are collections of organizations facing problems of economic subsistence and audience decline. Data collection, this group averred, must "serve the larger issues in the cultural framework, and help us advance the civilization, as opposed to counting beans."

For many of our informants, the major issues have to do with the richness and complexity of America's multifaceted culture. For some, these issues are seen as coming to a head. As one program officer at a foundation said:

> It is much harder than it used to be. The "old deal" is off and everybody is still marching along as if the old deal is still the only deal...Think about that in terms of data. There are cultural differences as well between subgroups, between Latinos, Blacks, and Asians. And how do we deal with those? Obviously, a lot of our mainstream arts institutions aren't dealing with them at all.

For this respondent, the converse of the opportunity to develop a data collection system that documents and embraces this diversity is the danger that a system based on conventional assumptions may end up "freezing in amber something that nobody is really interested in, except the people who are served by it."

A foundation staff member also emphasized the importance of basing any system on a broad and inclusive definition of the organizational population of interest. "I think the field needs...a much better understanding of what the cultural landscape is in terms of types and kinds of organizations and what they're delivering...as they stack these up against what audiences desire." In particular, respondents urged that any system capture the activity of small organizations that, as one researcher put it, "get lost in the shuffle...They might be the most creative sector, but they are also the most difficult to collect data from."

The importance of including organizations outside the established disciplines and organizational structures was a constant theme in these interviews. One researcher mentioned the importance of gathering data on the financial structure and growth trajectories of community-based organizations. A foundation staff member said, "We are interested in organizations that are smaller and more diverse, so the system would need to make sure those organizations are present." A number of researchers mentioned the importance of capturing organizations active in fields that lack strong service organizations and well-defined institutional identities, like the folk arts and gospel music. In all the studies that are done, he said, "the South ends up looking culturally impoverished. But we have potters from the hills, people who do tapestry, and there's quilt-making and there's a lot of artistic activities going on, but they're not called "artistic activities" in big cities." This suggestion raises the question of the whether a unified arts data collection system should extend beyond gathering data from organizations to accounting for artistic activity that may not be programmed by formal organizations at all.

What Data Should Such a System Include?

There were numerous opinions about the data elements a unified data collection should or might collect. This section begins with a discussion of financial data elements, performance indicators, and operational data needs, then to other data that our respondents would like to see, including more information about

small and minority entities and individual artists.

In considering any new initiative, it is useful to "think big," and explore the outer limits of what such a system might encompass before making the requisite compromises with financial limitations and other forms of practical necessity. The way our questions were phrased and the context in which they were asked perhaps encouraged respondents to think broadly about the information that might be useful to obtain. In some instances, they seem to have done so without encumbering themselves with concerns about the costs of data collection, respondent burden, the capacity (much less the willingness) of arts organizations to provide certain kinds of information, and the comparability of some kinds of data across organizations that vary dramatically in size, technology, and mission..

Financial data. The need for basic, reliable, consistent financial data came up again and again in our conversations. Elements repeatedly mentioned include budget size, operating expenditures and revenues, and balance sheet information. Many respondents wanted information on revenues that was sufficiently detailed to plot change over time, by type of organization, in revenues from every level of government, corporations, foundations, and individual donors.

Arts researchers emphasized the imperative importance of collecting the same data, in the same form from the same respondents, year after year, in order to establish trends. With sufficient data of this kind, one argued, policy analysts can move from documenting the past to predicting the short-run future. "The next step is to be able to cross-reference these data," to explore relationships between "financing vs. programming vs. audience, and to relate these to other external phenomena, like trends in foundation grant giving, trends in corporate support, in population demographics." Armed with an understanding of the relations based on well documented prior trends, researchers would be able to generate projections. "In most of the policy areas," she said, "there's an ability to do projections." People argue about the assumptions built into predictive models, but the capacity to generate rough but reliable projections exists.

Performance indicators. Many respondents expressed an interest in collecting data that could serve as performance indicators (or "cultural indicators") for the arts fields, separately and as a whole. Included among such indicators were numbers of concerts or performances, audience figures, and even a systematic sample of reviews of performances. Estimates of audience size and composition were viewed by many as key performance indicators, although all respondents acknowledged how difficult it is to gather reliable information of this kind. Moreover, as one informant warned,

> Audience for one organization is not necessarily the same as audience for somebody else.

> If you are doing art films and it's being broadcast on television, it's not the same as the audience that shows up for a concert or in a museum. There are different kinds of audience, and one organization may have several. One symphony orchestra may have a regular concert season, but also broadcast over radio and take programs out to the schools. And you can't necessarily add all that up and reach conclusions about what the audience is for that organization.

Difficult as it is to track the number and basic characteristics of an organization's public, however, some respondents asked for yet more; as one put it, questions that would tap "not just how many folks are coming to an event, but to what extent are they really engaged...questions that go beyond numbers, and ask for trends within the numbers."

Several informants suggested gathering information about artistic output, such as characteristics of the organizations' repertoires and, for museums, information about changes in collections and exhibition programs. These are topics, of course, a standardized survey administered to organizations in all of the arts disciplines would be ill-equipped to address.

Labor force. Many respondents recommended that a unified instrument collect systematic data on organizations' work forces. How many artists and arts administrators does the organization employee and for how many weeks each year? How many volunteers work for the organization, in what roles and for what hours? What kinds of training have key staff received? One researcher also suggested collecting information on the race and gender of the labor force.

What is to be Done?

It is one thing to advocate creating a unified data collection system. It is quite another to create one. We asked informants about how the arts fields might get from where they are today to the goal of collecting reliable information on a comprehensive set of arts organizations on a continuing basis.

One respondent advocated a process that would bring the major data users and producers together to agree upon the data elements such a system should include. Several informants thought that the process of working together towards a common goal would be beneficial. As a foundation staff member put it,

> The museum field thinks that it has nothing in common with the dance field. And the dance field thinks that it has nothing in common with theater field. But I feel that [we need] some kind of meta level analysis of what's going on with different types of institutions categorized not by discipline, but by either evolutionary stage, or geographic location, or audience served or not served; a lot of other factors which I think will illuminate some patterns that might be useful for people to see, and also make them feel like they are part of a larger whole.

Several informants view NASAA's National Standard as a good basis for a national data collection system. As one pointed out: "A national data base will be good for certain things. But will a national data base ever be as good as state data bases that are often more accurate because people there are on the ground in an area and know the region? Probably not." This person argued that it would be better to start with the state data bases, such as the National Standard, and the National Taxonomy of Exempt Entities (NTEE) classification system and the IRS Employer Identification Numbers (EINs) to the system, so that one could more easily compare data from all sources.

Several people recommended retaining the discipline-based approach to data collection that characterizes the current system, but with exhaustive efforts to improve coverage and comparability of existing systems. One respondent argued that the research community was responsible for demonstrating to the service organizations that there would be a payoff to investing the resources necessary to revise and aggregate their several systems into a reliable, standardized data base.

Many respondents were skeptical of the whole enterprise. One, who believed that existing systems could never be made to dovetail with one another and that designing a new system would be prohibitively expensive, suggested an alternative plan whereby data-collecting organizations would collaborate on a composite technical manual. This manual would document in easily comprehensible form the data collection methodology used by each, the elements they collect, the population covered, the nature of the sample used, and the period the data cover. While not ensuring comparability, such a document would make such data easier for researchers to use data properly.

Who Should Administer a Unified Data Collection System?

Any plan for a unified data collection system would require someone to administer it. We asked our respondents who they thought should administer such a program. Most agreed that in order to be able to take the lead role in managing such a system, an institution would need to

➢➢➢ possess adequate resources and leadership stability to make a long term commitment;

➢➢➢ possess, or at least be able to draw upon, substantial technical expertise;

➢➢➢ be perceived as independent of parochial agendas and committed to careful data collection and honest reporting of results.

➢➢➢ have the confidence of public arts agencies and nonprofit service organizations as well as other major stakeholders.

Some respondents felt that such a system should be lodged in existing organizational structures.

Many respondents viewed the NEA as the natural home for such a major database. One noted that the Endowment already possesses extensive experience in coordinating programs at the national level. Moreover, because the NEA is already responsible for a major ongoing data collection project on individual arts participation (the Surveys of Public Participation in the Arts, sponsored by the NEA Research Division and carried out by the Bureau of the Census), it would make sense, they believe, for the agency to take responsibility for the major data collection effort on the supply side, as well. Some respondents believed that the NEA should oversee the project, but under clear guidelines set by some collective entity, and with research administration contracted out to a nonprofit research entity.

Almost as many, however, believed that the Arts Endowment should not manage such a system. Several of the latter believed that "the NEA does not have the resources to do it, and it probably won't have them in the next decade." Others contended that even if the Endowment administered the effort well, no federal agency "will be seen as neutral or objective...I think that neutrality is important and a survey should be able to withstand the highest level of objection."

Several other respondents recommended that a data collection program be administered by a think tank or university center under the direction of a governing consortium "made up of various representatives from the art field -- maybe fifteen to twenty people representing various aspects of the arts who can give practical advice and guidance." Others argued against housing such a project at a university. "I'm interested in the field using this stuff, not just academics. One of the downsides of the university consortium is that it is very alienating. In the best of worlds, maybe it could be a partnership between the university and art councils, maybe universities and libraries, something more publicly accessible." Even a respondent who favored a university base for the project warned that such an arrangement would have to be monitored carefully: "A lot of academically based research that's existed before now has been designed to suit the needs and interests of the academics and has not been particularly useful to the field."

Several respondents recommended creating a new organization to take responsibility for a data collection system. One respondent favored creating a new entity that would be affiliated with a university, on which it would draw for research expertise and computer facilities, but also emphasized the importance of close ties to government and to the arts fields. "To work," she said, a new system "has to be institution-alized. It also has to be adopted by the federal agencies. If they start to use a standard then that will translate to the field very quickly, but I don't think they should administer it. It has to look like it's coming from the field itself." Several recommended an independent think tank. One urged that it be created with an endowment to ensure its independence and stability. A university-based researcher recommended a

different kind of freestanding operation. "I have in mind the model of Holland where the Ministry of Culture created a research foundation which it supports, but is outside of the agency, and they work on this kind of stuff and then do contract research for artists' organizations and local arts councils..."

All respondents stressed the importance of gaining the support and cooperation of public and private grantmakers, arts service organizations, and university-based researchers with relevant expertise. As one put it, "partnership is the word of the day. If this were to be done, it should be done in conjunction with the people already doing it, meaning NASAA, probably the NEA, and the Grantmakers in the Arts [a professional association of foundation program officers whose portfolios include the arts], entities whose interests are closely related." Other respondents suggested different kinds of partnerships -- in one case, a consortium of universities and, in another, an arrangement whereby one or more service organizations could administer a system under the guidance of a board comprising equal parts representatives from the performing arts and from non-performing arts fields. (This latter plan was mentioned, with slight alterations, by several respondents.) Still others recommended a public/private partnership with a board composed of representatives of both sectors.

One respondent was careful to distinguish between the valuable role a consortium might play in getting a system off the ground and helping it gain the cooperation of arts organizations, on the one hand, and the need to have another, more independent, kind of entity to actually administer the project. "Whoever is going to administer it," said one program officer at a foundation, "should have the resources so that a) they can continue to do it, and b) it can be open to as many researchers as possible and not hidden away. It's a matter of willingness of an institution to make the commitment to support the project over the next 25 years."

Access to Data and Protection of Respondents' Interests

The people we spoke with did not all mean the same thing by access. In the remarks reported below, "access" can mean:

➢➢➢ Access to the information for particular named organization (for example, to the data for a performing arts organization's peer institutions);

➢➢➢ Timely access to a well-written summary report describing the results of the survey;

➢➢➢ Access to machine-readable versions of the data themselves, so that the user can ask his or her own questions of it.

There are different versions even of this third category (access to machine-readable data). Technology now exists to put data on the World Wide Web in a form that makes it possible for anyone

with Internet access to ask simple questions about them (usually grouping answers by respondent category), but not to see individual records or do complicated statistical analyses. Most researchers require access to the full data set on disk or tape, so that they can employ a wide range of statistical techniques, using the data analysis "package" of their choice. Under these conditions, a researcher can inspect the record of a single respondent, although one would ordinarily concentrate on a single case only if the value of one of its variables appeared likely to be erroneous. In any case, it is a simple matter to protect the privacy of respondents by slightly altering values -- or, if necessary, to omit whole fields (e.g., zip code or even state) -- that might permit identification of specific organizations. Some researchers, however, would like to see data accessible with names of respondent organizations attached, to make it possible to merge information about an organization from several sources into a single record. Obviously, a policy of this kind works as a general principle only if one collects only data that respondent organizations are willing to make public. (There are, however, analogous cases in other fields in which data are held in trust by a government research agency and researchers can be "sworn in" as temporary agency employees with access to such information on agency premises for specific time-limited purposes.)

We will return to these alternatives in the final chapter of this report. For now, be aware that the men and women we quote below mean different things by "access," and what they mean is not always clear from the context of their remarks. And keep in mind that different kinds of "access" have very different implications for a) the privacy of survey respondents and b) the flexibility with which researchers and other users can employ the data. These two principles -- making data available as flexibly as possible and protecting respondents' legitimate interests in secrecy -- guided most of our informants comments. The tension between them raises the greatest challenge to any data dissemination policy. (Our own belief, based on considerable experience in other fields of data collection, is that both principles are of the greatest importance and that one can have one's cake and eat it too -- i.e., a system that provides widespread flexible access to data while at the same time effectively masking the identities of responding organizations.)

Encouraging access. The head of a service organization was typical in urging that data be made "as widely available as possible. Especially because there are many collections of information that are not available unless you are an academic or have access to some other kind of institution. The education of the American public about the importance of arts is at stake here." Another informant said:

> Everyone should have access. The people I'm most concerned with are folks that are

> responsible for policy making. If in fact, there are organizations that are making art out there, changing the quality of life in really powerful and important ways, I'd like the mayor to know it, I'd like the school board to know it, all the foundations to know, cultural affairs director, and I'd want the community to know it. And I'd want the folks responsible for public policy to know it.

Notice that these two speakers mean very different things by "access." The first refers to the kinds of data used by university-based researchers that can be analyzed to provide powerful *generalizations* about the importance of the arts to society at large. The second clearly means access to the responses of particular organizations, so that someone -- for example, the local arts agency -- can tell the mayor about their work.

Many respondents suggested some kind of a fee structure for data. Some believed that user fees would help absorb the cost of the research. Others were concerned that fees would place data beyond the reach of representatives of service organizations with constituencies of racial and ethnic minority, grassroots, or rural organizations. Some suggested making data available at cost, and one respondent recommended a sliding scale, with lower prices for less wealthy organizations.

In general, however, most respondents believed that making data readily available to the professional research community would be entirely in the best interests of the arts fields. Because researchers would produce reports and analyses at no additional cost (to the entity responsible for gathering the data), such access could dramatically enhance the cost-efficiency of data collection (i.e., the knowledge gained for dollar spent). At the same time, use of such data in graduate training could enhance the knowledge and data-interpretation skills of future arts managers, and bring new cadres of talented researchers into contact with the cultural-policy field. One informant put it this way:

> Academics would be a great resource because they are skilled, familiar and comfortable with research issues. We should encourage them to take advantage of these data so we in the field can learn by what they discover. Also those in the public policy arena and public funding arena should have access, in as much information gleaned from this data can be used to direct public policy.

Most respondents emphasized the importance of not simply mandating that data be accessible but also making them easy to get to. One suggested that the entire data base be archived on (and downloadable from) the Internet (though another believed that this might work to the disadvantage of small organizations that do not have Internet access).

Protecting respondent interests. Some respondents were ambivalent about permitting open access

to a unified data base. Several noted the critical importance of establishing trust with the organizations that would respond to an annual survey. One staff member of an organization that maintains a large data base noted that his organization considers every request but feels free to reject those that they do not feel are in the interest of their field.

Several people mentioned the need to protect the identities of responding organizations. Many noted that arts organizations will only be induced to respond to a survey if they believe it will not be abused. Several people suggested that such concerns could be addressed by not asking about sensitive matters; by only releasing data in aggregated form; or by using established techniques for "masking" data to make it impossible to guess respondents' identities. The underlying goal behind all these suggestions was to ensure that "institutions could with confidence collect and report on a wide variety of issues with assurance that the person or people that they fear most seeing this won't see it." Several informants also said it would be important to prevent anyone from commercializing the data base.

Several informants voiced concern that data might be "misinterpreted" in ways that reflect badly on the field. There were at least two grounds for this concern. The first is a variant of the GIGO axiom ("Garbage in, Garbage out") in the computer world. Researchers will generate misleading or distorted reports if the data are unreliable, biased by selective non-response, or based on an inaccurate or ideologically distorted definition of the arts universe. This concern, then, will be allayed if the research is done properly. Others, however, worried that even if the data are adequate, researchers with a hostile agenda (or perhaps just incompetent researchers) could report research results that would harm the interests of one or more arts fields. Informants with this latter concern were rather ambivalent about access to the data. Some of them grappled with suggestions to limit accessibility to respondents and service organizations, or to (public and private) grantmakers, or to trained researchers; but, in the end, none of these solutions was regarded as satisfying.

One respondent argued that in order to get arts organizations to cooperate in data collection, it will be necessary to convince them that it will "get some kind of return on its investment in terms of being able to have access to information that it would not otherwise have had." An informant who works with small and emerging organizations echoed this view: "If access were limited, therefore the information, the power that the information brings, would be limited to the privileged places."

Who Needs a Unified Data System?

Although most of the men and women we spoke with were able to speak articulately about the value of data and the potential utility of a standardized system of data collection, a sizable minority had mixed

feelings about such a national system and a few were highly skeptical of its value. Some simply didn't feel that a new system of data collection is a high priority "It's too much money to invest," said one federal arts policy maker. "Right now money needs to be spent on the practitioners themselves before they close up or go out of business."

Others argued that funds and energy would be better directed to improving systems already in place. "Different disciplines have different ways of not just collecting information, but using information," said one. "What might be appropriate for the theater community might not be appropriate for the film community or the visual arts community." Said another,

> What is really needed by these [arts] organizations is not so much specific standards or types of data as protocols for sharing information in useful ways... The critical thing is not that there be standard structures of data collection, but that there be good intelligent thinking about what kinds of data should be shared, and what are effective means of sharing that information.

Informants who work primarily with a single discipline tended to place a low priority upon collecting data across disciplines, whereas some respondents who work with community-based and minority arts organizations believe that for their constituents many other issues take precedence.

Some respondents thought unified data collection would be valuable, but regarded the idea as unfeasible. "Who is going to pay for it?" asked one rhetorically. Another suggested that legislative assaults on the NEA make this an inauspicious time for planning, and noted that the Endowment is not in a position to "anoint someone" to collect data.

What do the Service Organizations Think?

Because service organizations have been central players in collecting data on arts organizations and because so many people rely on the data they collect, we were particularly interested in their leadership and research staff's reactions to the idea of a uniform data collection. We report on those reactions in this section.

"I think it would be incredibly useful. I'm not sure that I think it can be done." For the most part, reactions combined interest and skepticism. Some felt that the "cross-discipline aspect" of such a system would be useful, and that a unified system would be able to inform economic impact estimates and other figures that would be useful for advocacy purposes.

> I absolutely think a standard would be useful... for our work in Washington. We have to go and defend the NEA, we have to go and defend tax legislation, we have to go and oppose the Istook Amendment... and no one has any figures. Nobody can say: This is the art community, these are the figures from the art community. Nobody has the data, and it's going to get far more complicated than it is now.

Said another: "We're interested in that which is going to help us make the case and understand better how arts improves community development, lives, education, social services and human services." Another noted that associations varied in their access to methodological expertise, so that creating a standard system would benefit the less sophisticated.

Others, however, believed the idea of a unified system, though useful in theory, would be unrealistic in practice. "I never thought that this was feasible," reported one. "I've been in meetings with NEA people and I've told them this. But I think it would be wonderful to try." Another informant doubted that it would be possible to persuade arts organizations to respond, especially if the arts fields are defined broadly to include even their smaller members: "Even the larger service organizations do not get full participation, and what happens with the other smaller groups that represent much smaller institutions?"

Some informants who believed that the idea had potential suggested that their own organizations should play a leading role (often in cooperation with other service organizations with strong data-gathering capacities). Because arts organizations in each field already provide data to the service organizations, one said, they would be unwilling to fill out an additional questionnaire for a similar purpose. Administering the system through the service organizations would "prevent somebody from rolling his eyes in Chicago thinking: Oh, we have to do our service organization survey and this, too?" Another noted that it would not be feasible politically to mount such an effort if the service organizations opposed it, and that they might if they were not centrally involved.

Most service organization staff seemed inclined at least to explore cooperating in such a system, as long as it did not interfere with their core missions. One described the constraints particularly well:

> I think it's important, I think it's a great idea, I'd be willing to work with you on it, and if it came to it, I'd even modify our surveys to reflect that, but with the caveat that it still needs to work well for my constituents. I mean, if everyone looks at the survey and says: Forget it! We can't figure this out!, then that's no good either. If it were like 10 small, closed-ended questions, then I'd be willing to participate in such an endeavor.

What data elements should a unified system include? Although specific suggestions for data elements varied, everyone concurred that in order for a unified scheme to be feasible, the data collection instrument must be basic and simple. (This emphasis on simplicity was a major difference between informants from the service organizations and, with some exceptions, those from the grantmaking and arts policy communities, and one attributable to the former's greater hands-on experience in collecting data from arts organizations.) Said one:

> If you limited it to some very big figures only...If you asked total contributed vs. earned income, it would be too little -- but even this is hard. But if you ask for contributed income, for earnings, for total salary and fees, fringes and other expenses, five questions, then total audience, that's six questions, it would be useful. But it would be difficult to do even that.

Another suggested that in addition to basic fiscal data, an effort be made to measure attendance, including first-time attendance, as well as information on workforce size, positions, compensation and benefits. To be able to generate even an "arts sector full employment figure" on the basis of such data would be very useful in this person's opinion. Another felt that data on audience size and composition, and on number of donors, members, and/or subscribers, participation would be important data elements.

Potential problems. One executive director called attention to the difficult problem of how to define the arts organization universe. "We have come to a point where anybody who says I'm an artist, is an artist. So what is the universe that you're going to look at? Then will you make information available by discipline? Or by art form? I don't know...it is a very interesting task."

Another service organization staff member, however, was concerned lest too many organizations be left out. One the one hand, she felt that the population definition would have to begin with service organization data. But, she noted, service organizations vary greatly in the extent to which organizations in their fields belong. "What do you do," she asked, "if membership includes just 43 percent of the universe? I don't know how statisticians handle this, and how useful will it really be to have figures that are not representative of the entire universe." Several others pointed out the non-comparability of different service organizations' population definitions, sampling schemes, and methods of extrapolation. "You [i.e., whoever designs the system] will have to make some decisions and you will have some people screaming at you."

Some respondents from service organizations expressed concerns about their members' privacy. "I don't think you'll get a lot of people to respond if you identify the organization," he said. "You'll have to

do an alphabetical list of respondents so that nobody can be identified. You may want to break it out into visual arts, performing arts, whatever disciplines or categories you want, and then have subtotals and then totals." A different executive director, however, felt that privacy was not a problem. "No, because all the information is available anyway on the IRS 990s," he said.

A particular puzzle is that of comparing performing-arts organizations to museums. How, one asked, does one compare attendance at an opera company that performs only a few dozen times a year to attendance at an art museum that is open seven days a week? Moreover, museums have different financial structures than do most performing-arts organizations, and different kinds of human-resource systems. (Many theaters, for example, employ actors, set designers, and other staff on a production basis, whereas museums tend to keep staff on year-long contract.)

One informant remembered a discussion of comparability across disciplines that took place at a meeting called by the NEA to discuss the Endowment's *Sourcebook of Arts Statistics*.

> You've got the symphony data here and the opera data there and the theater data here, and they're apples and oranges, and you can't really say, except for the very biggest things, and even there, they're not extrapolating, and we are, they are only representing their universe and they're not saying that this is representative...And what do you do about that? Unless there's somebody else who's going to collect it all and come up with some kind of model like that, where they can say: All arts data look like this, then I don't know how it can be done.

A few executive directors doubted that their membership would be comfortable with such a data collection system. Said one, "I know that after a few questions, the practitioners get very antsy about why are we doing this, and what we are going to do with this." They also believed that their members would worry about how the data might be used. "The one thing they really want to be sure you're not going to do is use it against them."

Advice and Suggestions. Service organization interviewees made a range of important suggestions on the basis of their own experience. The most basic one, echoed by most of the research staff and reflecting the hours they spend reviewing responses and working with respondents to improve reliability, is: "Keep it as simple as possible. It cannot be too long or too complicated...It cannot be more than three or four pages. And two pages preferably." Another recommended that the survey instrument be sent to the executive director with a strong direct appeal, indicating that the service organization is participating in and supporting the project. Such a letter, she said, "will give instant recognition of the importance of it and that it has been reviewed, signed off, approved or whatever by the service organization. You will have to

do this if you want to get any decent return." Another crucial message is that whoever implements the project must be committed to training respondents to fill out the instruments. "Don't leave out the whole developmental phase for reporting practices," she warned. "The way in which it suits them best is the way they're going to do it."

Chapter 4: Case Studies of the Inclusiveness of Selected Data Sources

Deborah Kaple, Hugh Louch, Lori Morris, Ziggy Rivkin-Fish, and Paul DiMaggio

In chapter three, we described existing systems that collect data on nonprofit arts organizations. One of the key criteria for evaluating the usefulness of such systems in constructing a unified data base is their inclusiveness, the extent to which they capture the full population of organizations active in arts programming. This chapter addresses that issue directly. In each of the three areas, the Philadelphia metropolitan area, Minneapolis and St. Paul (the Twin Cities), and the Dallas/Fort Worth metropolitan area, our research team compiled as complete as possible a list of arts organizations based on a variety of printed sources and information derived from a range of persons and agencies familiar with the local nonprofit arts community. Then we examined the extent to which several different sources of data were inclusive of this population, and the particular kinds of organizations most likely to be included and excluded by each source. Finally, this chapter discusses some of the theoretical and methodological dilemmas that emerged during the course of this work.

To summarize our results, the most labor-intensive methods -- spot inspection of the local press and review of lists compiled by local sources -- provided the most inclusive coverage of organizations. Lists provided by state arts agencies and taken from the IRS 990 data files captured approximately half of the total number of organizations identified. Lists generated from the National Standard data base and from the membership listings of service organizations included somewhat smaller proportions of organization names.

Methodology

Metropolitan areas were selected in order to maximize regional variety, with the constraint that only places with strong local grantmakers and/or arts councils, which could help the research team locate difficult-to-find organizations and respond to team members' questions, were included. Philadelphia is a large, northeastern urban center with a sizeable, predominantly African-American, minority population and with several strong local grantmakers (the major one of which, the Pew Charitable Trust, provided valuable assistance in data gathering). The Dallas/Fort Worth, Texas area is a varied, multi-city, region notable for the size and, especially, the racial and ethnic diversity of its nonwhite population. A recent survey of arts organizations there had produced a comprehensive

local listing and assistance was available from the state arts agency. The Twin Cities were chosen as a midwestern contrast, comparatively socially homogeneous and noted for a vibrant arts scene, with a strong and cohesive community of institutional patrons, and reputed to have good state-level data.

Each site was defined to include suburbs surrounding the cities. The following five counties constituted the Philadelphia Metropolitan Area: Bucks County, Chester County, Delaware County, Montgomery County and Philadelphia County. The Dallas/Fort Worth area included the cities of Arlington, Irving, and Plano, in addition to Dallas and Fort Worth. The Twin Cities included the seven-county metropolitan area. This spread allowed us to draw some conclusions about how well the various sources picked up suburban as compared to urban arts organizations.

Research Team. Three researchers constituted the research team. Each researcher focused on one case study. The researchers for both the Twin Cities Case Study and the Dallas/Fort Worth Case Study collected much of the data on site. Due to the proximity of Philadelphia to Princeton, the researcher focusing on the Philadelphia site was able to do much of the research from Princeton. Researchers conferred frequently in order to maintain consistency in the data collection process.

Time Frame. We tracked organizations that existed in 1994, which is the latest year for which both NASAA (National Standard) and the IRS (990s data file) could provide comprehensive data. This choice also ensured that libraries had already catalogued the necessary sources.

Codesheet Protocol Development. Prior to going into the field, the research team and project director developed a code sheet which covered a few items of particular interest. Figures 4.1 and 4.2, respectively, display the codesheet and the glossary that was initially used to guide coding decisions. (These can be found at the end of this chapter.)

Defining "arts organization." On the basis of the interviews described in chapters 2 and 3, it became clear that defining even the most basic characteristics of an arts organization would be quite complicated. We initially settled on the following criteria for including an organization in this study. Because of limited resources and time, we were forced to adhere to criteria that excluded arts organizations with no professional staff, presenting organizations, and organizations devoted to literature and graphic arts. Obviously, these compromises were fateful ones, and the conclusions of this part of our study must be understood to apply only to the types of organizations included.

Initially, our criteria for inclusion were the following:

➢➢➢ **The organization must be non-profit and open to the public.**

It must either be incorporated as a 501(c)(3) charitable organization or be eligible to be so incorporated; or, it must be affiliated with another nonprofit organization, educational institution or corporation and pursue a mission similar to that of a 501(c)(3). Thus a public gallery housed in a corporation would qualify, as would a gallery in a university or a professional dance troupe affiliated with a dance school.

➢➢➢ **The organization must have at least one paid professional employee or its equivalent.**

➢➢➢ **The organization must produce or exhibit art.**

Thus, presenters, promoters, arts service organizations, programmers, and festivals were excluded unless they also mounted their own productions or exhibitions.

➢➢➢ **The organization must perform or exhibit on a regular basis.**

Organizations that come together once a year to put on a holiday performance, for example, were excluded.

In the section of the chapter in which we discuss the problems encountered in this study, we point out some difficulties which arose in using these criteria. We found some cases in which it was difficult, even with the help of local informants, to determine if an organization fit all of these criteria. The research team met frequently during the weeks of coding to discuss these problems. From these meetings as well as from discussions with the task force, we ended up altering the criteria somewhat to be more inclusive of some types of organizations that were initially excluded on the basis of these criteria. This is detailed in the Dilemmas and Lessons section below.

Data Sources

National level. On the national level we examined 1) IRS Business Master File data, provided by Independent Sector; 2) data drawn from NASAA's 1994 National Standard, and 3) member listings provided by the American Symphony Orchestra League, Dance/USA, OPERA America, and the Theatre Communication Group. We also examined the listing of museums included in the Official Museum Directory (OMD)

published by R.R. Bowker; this directory includes all types of museums, e.g., art, science, and history. *State level*. On the state level, we used lists provided by state-level organizations. Two of the sites had state-level directories. The Pennsylvania Cultural Directory, produced by the Governor's Office and Pennsylvania Department of Commerce, was used for the Philadelphia area. In Texas, the team used the Texas Commission on the Arts mailing list and a list of theaters from the Texas Nonprofit Theatres, a service organization. The Minnesota State Arts Board provided us with their list for the Twin Cities site.

Local level. The team relied on lists provided by local arts service organizations and local foundations, and on lists compiled by the research team from review of the local press. The following sources were used for Philadelphia: the Greater Philadelphia Cultural Alliance Directory, organizational lists from Philadelphia Dance Alliance, Performing Arts League of Philadelphia, Meet the Composer - Philadelphia Music Project, and the 1994 annual report of Pew Charitable Trust.

A variety of local sources were used for Dallas: The Dallas Business Committee on the Arts (DBCA) directory, organizational lists from City of Dallas Office Cultural Affairs, the Partnership for Arts, Culture and Education, Inc., and Arts District Friends. In Fort Worth, the Cultural Resource Directory published by the Arts Council of Fort Worth and Tarrant County were used, as well as the annual report of the Arts Council in Fort Worth. In Plano, an Arts Leaders Roster put out by the City of Plano was used, and in Arlington, the team used the Northeast Tarrant Arts Council list and the Irving Arts Center newsletter. Finally, the Dallas Public Library's local data base of organizations and files of clippings on arts organizations were also used.

In the Twin Cities, the main source was a local arts directory called ArtsTown, a consumers guide published by the Metropolitan Regional Arts Board. Additionally, two local service organizations provided us with listings for their specific discipline: the Minnesota Association of Community Theatres and the Minnesota Dance Alliance.

Local press. At each site, the researcher examined a sample (one day for each month of 1994) of newspapers and magazines. Researchers sampled the papers on the day when the greatest number of culture and entertainment listings were likely to appear, for example, Friday Weekend Previews for daily newspapers. Three publications were used in Philadelphia: The *Philadelphia Inquirer*, *Philadelphia Magazine*, and *Seven Arts*

Magazine. Three publications were used in Dallas/Fort Worth: The *Dallas Morning News*, *The Dallas Observer*, and The *Fort Worth Star-Telegram*. Four publications were used in the Twin Cities: the *Twin Cities Reader* and *City Pages* (both free weeklies), and the *Star Tribune* and the *Saint Paul Pioneer Press* (both dailies).

Informants. Informants were used at each of the sites for the purpose of weeding out organizations that were defunct or did not fit our criteria for inclusion, and for providing information about organizations about whose programs or structures researchers were unclear. Philadelphia key informants were staff persons from The Pew Charitable Trusts. Texas key informants included staff of the Dallas Business Committee for the Arts and staff of the Arts Council of Fort Worth and Tarrant County. In the Twin Cities, we drew on assistance from key informants at the Bush Foundation, the Minneapolis Community Development Agency, Minnesota Association of Community Theatres, and the Minnesota Dance Alliance.

Findings

How useful were different sources of data in identifying arts organizations in the three cities the project team studied? Answering this question is the major focus of this chapter. First, however, let us describe more fully the local and statewide resources used in this study. (Service organization lists, NASAA's National Standard data base, and the IRS 990s are described in detail in chapter 2.)

Local and State Sources

Local and statewide inventories of organizations varied in the level of detailed information they collect about the organizations listed. Some states rarely collect detailed information as their lists tend to be used more as directories or mailing lists than as compilations of information. Yet others provide a lot of information not found in other sources. Regardless of the level of detail, these inventories are often quite thorough in their coverage of local organizations.

State sources. Many State Arts Councils maintain inclusive lists of arts organizations, including basic contact information in almost every case. Other information varies from list to list. The Texas list included only names and addresses. The Pennsylvania Cultural Directory provides information on arts discipline and descriptions of

the organizations including their missions as well as their outreach and/or educational programs; this directory is comprehensive and is not limited to those organizations funded by the state. The Minnesota State Arts Board (MSAB) includes information on arts discipline and income, and in some cases indicated organizations with culturally specific missions or clientele. (Informants reported that many respondents did not understand the income question that elicited the financial data, so that these data were unreliable.) The MSAB list is especially comprehensive because it includes not only organizations that receive public funding, but also other organizations that ask to receive mailings created from the data base. Moreover because the data base is frequently used to generate mailing lists, it is regularly updated, when pieces of mail are returned because they cannot be delivered.

Local agency sources. Local agency sources also vary in composition, ranging from mailing lists to compendia of information on such topics as budget, audience demographics, and staffing. In the Twin Cities, the arts directory, *ArtsTown*, published by the Metropolitan Regional Arts Council (MRAC), contains descriptive information as well as addresses. MAC, a local arts agency for the seven-county metropolitan area, has as its mandate to fund organizations with annual budgets under $300,000, and *ArtTown*, which is assembled from MAC's applicant list, is therefore particularly thorough in its coverage of suburban and smaller arts organizations. The Greater Philadelphia Cultural Alliance Membership Directory is also very inclusive, and contains brief narrative descriptions of the organizations it lists, as well as classifying organizations by location.

Three other local sources also used for Philadelphia were lists provided by the Philadelphia Dance Alliance, Meet the Composer, and the League of Performing Arts. These specialized lists provided names and addresses, but not descriptions, of the organizations. They are very inclusive but somewhat difficult to use. To take the Dance Alliance list as an example, consultation with an informant was required to distinguish between performing dance companies, dance schools, or other types of dance organizations. At the same time, this directory enabled the team to identify dance companies that were not included on any other listing.

The Dallas Business Committee for the Arts Directory (DBCA) is much more than a mailing list, containing a great deal of useful information. This directory distinguishes between presenting and performing organizations, and contains information about

organizations' artistic discipline, budget level, and special racial or ethnic orientation, as well as, in most cases, a narrative description. Data were collected by survey form, with some selective item nonresponse. We compared financial information with that collected by IRS and found the two sources to be highly compatible.

Foundations represent another source of information. The Pew Charitable Trust actively assisted the research team in Philadelphia, and staff persons from the Trust provide much information that was missing from other sources, as well as annual reports that provided some information on the organizations to which the foundation has made grants. Foundations in the Twin Cities and Dallas/Fort Worth tended to support somewhat smaller numbers of organizations, for the most part those found on other lists.

In the Twin Cities, we were fortunate to gain access to lists from two local service organization: the Minnesota Dance Alliance (MDA) and the Minnesota Association of Community Theatres (MACT). John Munger from MDA very kindly compiled a list of professional organizations for the research team, and supplied some narrative information about their professional status in addition to contact information. John Skaalen from MACT customized a list of theaters (based on a census of Minnesota theaters he had undertaken) classified by type (professional, children's, community, college, and others) and supplied contact information.

Although our research team found local listings very useful, we should qualify our comments by noting that sites were selected in part on the basis of the availability of active local and state grantmakers and/or arts councils. It is likely that if sites had been selected randomly, fewer high-quality local lists would have been available.

Local press sources. Local press listings proved very informative. Most press sources contained listings of the events for the week, month or season, which provided up-to-date lists of organizations active in the area. Press sources, by their nature, were more inclusive than others, containing information on nonprofessional community organizations as well as professional arts organizations. The Philadelphia *Inquirer* even distinguished between "professional/semi-professional" and "community" theaters.

Local press sources also cover organizations that are subsidiaries of other organizations, such as a nonprofit organization, a corporation, or an educational institution, and therefore do not appear in the Business Master File and many other lists. Examples include university art galleries and theater groups, or the components of the Sammons

Center for the Arts in Texas, which contains more than five smaller arts organizations within its walls.

Local press listings were very beneficial for picking up new organizations and organizations affiliated with larger organizations, both of which were often excluded by other sources. At the same time, reviewing press listings was relatively costly in staff time, and would be impractical for a national effort.

How Inclusive are the Different Data Sources?

For each of the three cities, we attempted to create a comprehensive list of all arts organizations operating within the geographic areas we studied. (Recall that we defined "arts organization" in a way that excluded presenting organizations, organizations without paid professional staff, and literary organizations.) We then explored the extent to which each source of data identified the organizations on these lists and the types of organizations that each was most likely to include and exclude.

The reader is reminded that this study is a preliminary one and that the results should be interpreted with caution. In particular:

1. Had we included arts presenters and other types of excluded organizations, our results might have been different.

2. There are doubtless some small arts organizations in weakly institutionalized forms that none of our sources contained, and some non-arts organizations that do significant arts programming that are also not included. Therefore, estimates of inclusivity in the tables that follow are upper bounds, especially in the case of estimates for small organizations.

3. The inclusivity of local lists doubtless reflects our effort to economize scarce resources by selecting sites with active local grantmakers or arts councils. For this reason, we probably find that such lists are more inclusive than would a study of randomly selected sites.

4. We did not include any rural sites and do not know if our findings can be generalized to rural areas.

5. Other studies of IRS 990s (e.g., Bowen et al. 1994) have found that the IRS misclassifies certain organizations and also includes organizations that are defunct. The research team made every effort to purge the 990 lists of organizations that had been

mistakenly classified as arts organizations, and to eliminate organizations that were not active in 1994; and we believe that they largely succeeded. Insofar as some defunct or misclassified organizations remained on the lists, their presence would tend to inflate the apparent inclusivity of the 990s and diminish that of other sources. The fact that more than 91 percent of the organizations identified appeared on lists other than the IRS list suggests that this did not represent a significant problem.

Overall Level of Coverage. The analysis of the data begins with a broad overview of the coverage provided by each source of data. (See Table 4.1, which is located at the end of this chapter). The first column of numbers in Table 4.1 indicates the number of organizations in the populations for all three cities found in each source of data. The second column shows the percentage that this number is of all organizations (680) found in all three cities, and therefore answers the question: How effective is this source of data at identifying the population of arts organizations? The third column contains the number of organizations uniquely found in each kind of listing, and the fourth indicates the proportion that this number is of all organizations the research team identified, and therefore the percentage of the whole that would be excluded if that source was not consulted in compiling a unified data base.

Chapter 5: Recommendations

As we have seen, arts policy makers, grantmakers, and advocates have lacked a fundamental tool available to their counterparts in other fields in which government and philanthropic agencies are active: reliable, over-time data on the finances and activities of the organizations that produce the services and collective goods to which policy and grantmaking is oriented. On the basis of investigation of existing data bases on arts organizations, interviews with approximately seventy policy makers, service organization staff, grantmakers, consultants, and researchers of diverse backgrounds, and of a two-day meeting at which approximately sixteen such men and women discussed the role and function of data in their own fields, we are convinced that the lack of such information imposes unacceptable costs on the arts and that it can be solved through a cooperative effort of public and private agencies.

What We Would Gain with Better Data on Arts Organizations

As noted earlier, by "good" organizational data, we mean data that are reliable, are comparable across organizations, that cover a representative range of organizations in every field, are comparable over time (making it possible to study change), measure things that are important to managers and policy makers, and are widely accessible and widely used (so that the payoff of having the data equals or exceeds the cost of collecting them). We are concerned not with the use of information on a particular organization to help manage that organization or to guide grantmakers in evaluating its application for a grant, but rather with the use of aggregated data on many organizations to yield sound generalizations about current conditions, differences among various kinds of organizations, and over-time trends.

Although data collected by a few service organizations meet some of these criteria, no available data set meets all of them, and we know virtually nothing about many kinds of arts organizations. Without adequate data on arts organizations, people who care about the arts are left unable to answer many of the questions that many legislators or policy makers -- including open-minded but skeptical people responding to calls for more public or private funding -- might pose. To what extent are theaters growing or declining in number and level of activity? (We can only guess on the basis of incomplete data.) Have new dance

companies been created at a faster rate than they have disbanded in recent years? (We don't know.) How have trends in corporate (or government, or private) donations differed from discipline to discipline? (We have partial data from some disciplines, but not others.) Between large and small arts organizations? (We know virtually nothing about small organizations in most fields.) How have the kinds of programs offered by nonprofit arts organizations changed? (We know even less about what arts organizations do than about their finances.) How many community organizations provide significant programs of training in visual arts or performance disciplines? (We know virtually nothing about arts organizations outside the major disciplines, except that there are a lot of them.)

Because the answers to such descriptive questions are a necessary basis for addressing more complicated questions about cause and effect, policy makers, both public and private, have few ways to anticipate the aggregate effects of their grantmaking strategies, or to plan systematically to leverage their resources. What is the relationship between the number and activity of arts organizations and the number of artists and the rates of participation in the arts of different segments of the community? What strategic approaches do arts organizations that succeeded in reaching financial stability have in common? What is the long-term relationship between neighborhoods arts resources and professional activity? Existing information resources provide little guidance.

Finally, many of the men and women with whom we spoke argued passionately that the absence of a system for collecting, analyzing, and sharing data on arts organizations makes it difficult, if not impossible, for the field to understand how it is changing. This is a period of great institutional change in the arts -- in the way that they are funded, in the types of organizations that present artistic programming, and in the way in which different segments of the public are served. Yet most of the available data are designed to track large organizations in the conventional disciplines, rendering invisible new types of arts organizations, organizations that are embedded more deeply in communities of color or rural communities than in national professional networks, and artistic work by organizations outside the conventional disciplines. Like the drunk who searches for his lost wallet under the street lamp because "that's where the light is best," our approach to information makes it difficult, if not impossible, to apprehend and respond to significant changes that are shaping the arts today.

For all these reasons, it seems evident that the field demands and needs better

information on the finances and activities of arts organizations than it has been getting. But what form should a system of data collection and dissemination take?

Fundamental Principles: Feasibility, Flexibility, and Cost Efficiency

There are many alternative approaches to collecting data on arts organizations. To choose among them, we require a firm sense of the criteria or values that such a system should satisfy. We regard three such criteria as extremely important.

Feasibility

The first criterion is *feasibility*. It would be easy to describe a data set that would please every potential user, but such data would be impossible to collect. In the real world of limited resources, the goal must be to collect a relatively modest amount of reliable information from the widest possible range of organizations.

Feasibility entails affordability: A system must be within the means of the agencies that will pay for it. There is no point in developing a plan for a system that will cost much more to implement than anyone is willing or able to spend.

Feasibility also entails minimizing respondent burden: keeping data collection brief, using already existing data whenever possible, defining terms clearly, avoiding requests that respondents lack the capacity to honor, and educating respondents to provide reliable information. Without so doing, a data collection system cannot maintain the high rates of response and cooperation necessary to make data meaningful and comparable.

No survey effort should exceed the willingness of those upon whom it would rely for data to cooperate. At a minimum, a national system must rest either on coercion (e.g., IRS 990s) or on serious effort to enlist the support and cooperation of many service organizations and other stakeholders to encourage cooperation. As noted in chapter 1, data of this kind constitute a public good to the production of which most organizations must contribute by providing information. Inducing organizations to participate requires solving what economists describe as the "collective-action problem." Such problems can be addressed through coercion, selective inducement, or persuasion.

A unified data system on the arts can rely on all three, but must ultimately favor persuasion. To the extent that a data system can use data from IRS 990s (which many arts organizations are required by law to complete), coercion can play a role. To the extent that

data can be assembled from the National Standard, which is based on the data organizations provide to state arts agencies when they apply for grants, selective inducement (the possibility of the grant) plays a role. As we saw in chapter 2, however, not all arts organizations file 990s or apply for grants. Nor can we assume that the specific items included on the 990s, or even the National Standard mandated items, will satisfy the needs of a national system. In so far as the system relies on direct appeals for cooperation to arts organizations, potential respondents will need to understand the system's value and feel a stake in responding. Even with the best advance work, however, an overly burdensome survey will not be completed.

Even respondents who are most favorably inclined to research cannot cooperate if the demands of the survey exceed their capacity to generate information. Questions must be clear if respondents are to be expected to answer them. The more complex the questions (i.e., the more ambiguous, the greater the extent to which they address matters that are not strictly comparable from organization to organization or discipline to discipline, the greater the information-processing capacity or technical sophistication they require of the respondent), the greater will be the necessary cost of technical assistance for those asked to respond. This is especially the case if a survey is to reach organizations whose staff are unsophisticated with respect to research and information management.

Consequently, feasibility will require tradeoffs. One such tradeoff is between *detail and response rate*. The more detailed the questionnaire, the more difficult it will be to answer and the lower the response rate will be. Response rate can be increased to some extent by spending more money on call-backs or technical assistance, but the rate of return tends to decline with additional dollars. Because adequate response rate is so important in determining the reliability and generalizability of survey information -- especially when the capacity to respond is likely to be highly correlated with organizational characteristics like size and discipline on the basis of which many users might want to compare responses -- we tend to favor an emphasis on more (and more reliable) responses to fewer items.

A related tradeoff is between *detail and inclusivity of the population surveyed.* Small organizations in general have less capacity (staff time, information systems, sophistication about data) to provide financial and other information than do large organizations. The longer and more detailed the survey, the more restricted the definition of "arts organization" must be to the kinds of large, professional organization from which

data are already collected. Because an important function of any survey -- in some ways the most important function -- will be to establish the contours of the arts universe and to offer a broader view of the field than existing data sources provide, we also recommend inclusivity over detail.

Keeping data collection feasible will require compromising on many of the topics about which our respondents wanted to learn. Many of the men and women we interviewed expressed a desire for data on arts audiences and programming, community relations, and very detailed accounting of staff structures and compensation, and of revenues and expenditures. In many cases the people we spoke to who wanted the broadest range of data were also most emphatic in their call to expand the comprehensiveness of the definition of "arts" used in data gathering. This means gathering data from the full population of organizations involved in the arts, broadly defined, rather than just the largest organizations in the established disciplines.

It is possible to gather extremely detailed on data from a select set of large professional organizations; but it would be very difficult to gather them from the smaller conventional arts organizations, much less from organizations with unconventional governance structures or missions. Rather than request data that respondents cannot supply, with the result that organizations supply unreliable information or fail to respond to the survey at all, we will suggest a sharp division between a basic population inventory that gathers a limited amount of information, and sample surveys, often sponsored and conducted locally, based on that inventory, that can explore more questions in greater detail.

At the same time, we agree with the members of our advisory committee who urged that any national system collect information not just be about what arts organizations earn and spend, but about the activities that give them their value and justify their revenues and expenditures. As one member said, measurement tends to focus attention on the things that are measured, and away from the things that are not. Therefore, we shall recommend that a unified data base collect basic descriptive information on programs and activities, as well as on finances.

Flexibility

The second criterion in *flexibility*. As we learned in chapter 3, which describes the results

of the needs assessment phase of this research, our conversations with the end users of arts data revealed much variety in the ways that information is used. Much of this variation reflects the fact that different kinds of organizations have different missions and their information needs vary accordingly. Grantmakers often want fine-grained information on particular grantees or applicants, and are also interested in trend information on the arts in particular disciplines or metropolitan areas where their giving is most active. Many grantmakers were particularly interested in information on smaller, community-based arts organizations with unconventional missions. Service organizations rely heavily on benchmark information about clusters of organizations to provide technical assistance to their members. They are almost exclusively concerned with data on the fields that they represent and, in many but not all cases, they tend to focus especially on the larger, more stable, organizations that represent the core of their membership. Government agencies need to aggregate data for policy analysis purposes, and are particularly interested in revenue streams and information useful for purposes of grant management. (Moreover, agencies and parts of agencies in which staff and programs are organized around disciplines are especially likely to use information organized in the same way.) University-based researchers are rarely interested in quantitative records on specific organizations and are impatient with cross-tabulations, often preferring to run multivariate statistical models testing general propositions. One can, of course, find exceptions to all of these generalizations, such as the service organization or private foundation with a serious interest in policy analysis, the government agency seeking information about a particular organization, the academic researcher who uses benchmark data as a board member for an arts organization. The key point is that no single data collection effort can do a very good job at serving each of the many purposes for which people want data.

This problem is compounded by the fact that there is only modest consensus on the kinds of information that are most important for assessing or predicting the performance of organizations in the field. (Weiss and Gruber [1987] call attention to this factor in their work on public education, as well.) People who collect data on organizations that train the unemployed can be confident that information on the kinds of people who enter the program and the kinds of jobs they receive (or do not receive) after they finish get to the essence of the organizations' mission. Researchers who study hospitals are interested in treatment practices and outcomes. By contrast, the missions of arts organizations are

diverse, they cannot be inferred from an organization's size or discipline, and many arts organizations have several of them. Relationships with clients (the audience, or students in an education program, for example) are diverse and the desired outcome is ordinarily less clear than in the case of hospitals or drug-abuse programs, for example. (Is a "good" theater experience one that leaves the audience happy or troubled?) The one item of information that almost everyone we spoke to believed was important is "artistic quality"; they also agreed that it is the hardest to measure.

Given the variety of ways in which data are used, and the different kinds of information that different users regard as important, any usable system must be open-ended and well equipped to serve many needs. To design such a system requires a shift from the way that many researchers ordinarily think about national data systems. In the past, such systems have often been conceived as the One Best Chance to learn about organizations in a field. Because the endpoint of the process is the production of a large data set (perhaps with some printed statistical tables distributed to the majority of users who are unable to mount a data tape and conduct their own analyses), the temptation is to overload the survey with questions, on the reasonable assumption that anything that is not part of the data system will never be learned.

We suggest a different approach, which reflects both the diversity of the arts field and technological changes in data processing and distribution. This approach, in a sense, parallels recent changes in manufacturing industries, where the huge machines dedicated to single functions have been replaced in many factories by "flexible technologies," often less expensive than the older machines, and capable of being adapted relatively cheaply to many different purposes (Sabel 1991). Similarly, technological changes that lower the cost of using data in different ways, and reduce the expertise required to use them, make possible a shift from massive, dedicated data sets to more open-ended flexible data systems. No longer must researchers commit all their resources to the Best Possible Complete Data Set.

Instead, the need for flexibility (which is, as we shall see, related to the value of cost efficiency), suggests that we conceive of the goal as erecting a *platform,* in the rather similar ways in which that term is used in the fields of spaceflight and computer science: It is a structure from which missions can be launched, or a tool that serves as an environment in which various kinds of software can accomplish many different things. In this view, the

output of a centralized data collection system will not simply be a single report or set of facts (although this *will* be one important result), but a viable platform from which a wide range of arts stakeholders can launch many, less expensive research efforts. We believe that the best way to do this is to collect and maintain on a current basis a very small number of pieces of information on a very inclusive population of arts organizations. Such a data base can serve as a source of reliable information on major trends in the arts field as a whole and in important segments of the arts. But it can also serve as a living resource that policy makers and researchers can visit quickly to answer particular questions; and a resource that enables researchers to draw generalizable samples (something prohibitively expensive for most researchers today) for focussed studies of all or part of the larger population (for example, organizations in a particular discipline or metropolitan area). Such a system, of course, requires substantial attention to establishing the broad accessibility of the data. This in turn is necessary if the enterprise is to be cost-efficient.

Cost efficiency

The third criterion is *cost efficiency*. When many arts organizations are struggling to survive, it is difficult to justify large expenditures on data collection unless we can ensure that the data will be used.

It is critical to emphasize that *cost efficiency means high payoff, not low cost*. Unless data quality is high, that is fully comparable and unimpeachably reliable, there is not much point in doing research at all. Efforts to enhance cost efficiency should aim to increase the numerator of the benefit/cost ratio, not reduce the denominator (except, of course, through prudent use of tested cost-saving efficiencies).

The first part of this benefit-side strategy is to ensure that any system is designed with an eye to concrete payoffs. In other words, it must address clear-cut objectives, serving important and well understood collective needs of the arts fields.

The second part of any benefit-side strategy is to maximize *access* to the data. As we have argued, an arts organization data system is a *public good*: a kind of infrastructure that requires the contributions of the almost everyone in the field, and that will yield benefits from which particular organizations or groups cannot easily be barred. Cost efficiency will be maximized only when the public-good quality of arts data is accentuated

by making it freely and easily available to different kinds of potential users. In that way, a data system can serve as a kind of infrastructure that reduces the cost to others of conducting research at their own expense, thus leveraging additional dollars. The key principle here is that data that are accessible will be used, and used in ways that help the field at no additional cost. Data that are accessible, reliable, and meaningful are used again and again, and with every use, the "benefit" side of the cost-benefit equation and the cost-efficiency of the enterprise rises.

For accessibility to function in practice and not just in theory, a system must have many points of entry for users with different needs. For the many users interested in information but lacking background in statistical interpretation or data analysis, clearly written summaries are essential. But such summaries are only a beginning. New technologies now make it possible for policy makers or arts managers who understand how to interpret simple statistical patterns, but who lack the technical training that used to be required, to conduct data analyses on their own, to access data systems electronically and to quickly answer particular questions with a few clicks of a mouse button. (Several systems of this kind can be found on the World Wide Web. Although no one can foresee the precise technology that will best suit this function in three or four years, we can be sure that whatever technology will be even easier and more "user-friendly" than the ones currently in place.) Finally, machine-readable data must be readily available to sophisticated data analysts who wish to ask more complicated questions of the data. The cost of this can be minimized by making data electronically downloadable from a central site in a readily adaptable format.

A few people we interviewed as part of the needs assessment worried that if data were not closely held, then researchers who are uninformed about or unsympathetic to the arts could use information in a way that is "damaging." We regard such concern as misguided and ultimately not in the field's best interest. To be sure, data will be misused; however, the most effective response to such abuses is not less access, but more and easier access. In mature policy fields, distortions are plentiful but relatively unproblematic *precisely because data are accessible to everyone at low cost*. When pernicious arguments are bolstered by misleading data analyses, the response is quick and effective: New analyses refute the dangerous ones with facts, not opinion. By contrast, arts supporters have been sitting ducks for political potshots because those who would combat prejudice with

facts usually lack access to information necessary to make their case.

In other words, it is never cost efficient to restrict user access to data. Thousands of dollars (and hours of staff time) have been wasted on the collection of data that are never exploited, or are publicized only in brief reports with a few tables that raise more questions than they answer. Data collection efforts that stop with the production of a descriptive final report are inherently inefficient, compared to comparable studies that produce data that can be used by many researchers and policy makers. In the marketplace of ideas, free trade is the most effective policy.

In implementing a "free-trade-in-data" policy, it is important to distinguish between counterproductive efforts to avoid the "misuse" of information from legitimate concerns for the protection of confidential information about particular organizations. When respondents to a survey are promised that the information they provide will not become public knowledge, such promises must be respected, both as a matter of research ethics and because failure to do so would undermine the trust relationship between researcher and respondent upon which long-term quality data bases are built.

In most data collection efforts, confidentiality is not problematic, because researchers and agencies have so much experience guaranteeing it. End users in universities or government statistical programs simply do not care about the identities of particular institutions. And abuses of the data by others who *might* care are avoided through technical means. It is possible to eliminate particularly confidential data fields or, if such items are necessary for the data to be useful, eliminate fields that serve to identify respondents, or make small and random adjustments to data fields that contain publicly traceable information, in order, in effect, to smudge the fingerprints through which organizations might otherwise be identified. (Because such adjustments are small and random, they do not affect means or statistical results.)

Why have data collected by arts service organizations not been cleansed and circulated routinely in this manner? (Some data *have* been made available. For example, some economists have used data from the League for time-series analyses of orchestra finances, and some researchers have coded and analyzed information made available to the public by TCG and other organizations. But our impression is that approval is nonroutine; and certainly coding from published documents is very costly.) Part of the problem probably lies in misguided concerns, shared by the arts field as a whole, that "outsiders"

might produce analyses of aggregated data that support unpleasant or misleading conclusions. But our conversations with staff of service organizations helped us to understand that some of the sensitivity of service organizations derives from the particular ways they use the data they collect.

Whereas academic and government researchers are interested in aggregates, service organization information staff are equally interested in particulars, because of the nature of the requests they receive from their memberships. Survey results are often used to answer questions from constituents who are interested in what peer institutions are doing about a particular problem. Peer-group comparisons, benchmarking, and networking all involve disclosure to constituents of relatively sensitive information in disaggregated or only slightly aggregated form that arts organizations might not want to share more broadly. And the need to be able to produce such information leads service organizations to organize their data in ways less protective of respondent confidentiality than does, e.g., the Census Bureau.

To researchers used to working with public data sets and concerned only with aggregated information, the combination of weak protection of respondent identities in the data themselves with heroic efforts to keep relatively widely circulated information out of the hands of the research community seems paradoxical. But, as we have seen, it flows naturally from the special ways in which service organizations use their data for technical assistance and to enhance communication within their fields. The solution, we believe, is for a central agency, such as the NEA Research Division, or a specially constituted task group representing the research community, or some other body, to work with the service organizations to develop a system by which the data they collect could be released routinely in the form of a public-use data base, separate from the data organization employed by the service organization itself, conducive only to aggregate statistical analyses, with respondent identities fully protected. The incremental costs of such a system would be relatively low, and would, we believe, be fully justified by the cost-efficiency of increasing the payoff of funds invested in service organization data collection efforts. In so far as such a system served to turn what are now collective goods shared by the members of service organizations into fully public goods, public or philanthropic investment in developing such systems would appear to be justified.

Recommendations

In the course of our research, we were profoundly impressed by the ways in which people in the arts field have gone to sometimes heroic lengths to gather the data that they need to do their work. Most of the data systems we inspected accomplish the goals for which they were designed reasonably well, and some do so very well. At the same time, for the reasons we have seen, few if any of these systems are very useful for purposes other than those for which they were designed. In general, the men and women responsible for existing systems are frank about limitations of data reliability, comparability, and representativeness of which they are sorely aware, but which they lack the resources to transcend.

We believe that arts organization data will remain inadequate for purposes of policy analysis, planning, and advocacy for the arts field (as opposed to particular subsets of arts organizations) unless there is a sea change in the current system that gets us beyond the scatteration of effort we observed. Yet, because data are used in so many ways, we do not believe that we, or any other researchers, or even a cooperative alliance of stakeholders of many kinds, could invent One Best System to replace those currently in place.

Instead, we believe that the field needs a data collection system of reasonable cost that will *enhance the efficiency and effectiveness of current data collection techniques* and that will *facilitate and provide an infrastructure for new approaches that will be responsive to local needs*. In other words, we recommend the creation of an ongoing data system of the highest quality that will provide a platform to enable many kinds of researchers to improve the quality of their own data collection efforts. Such a *research infrastructure* will lower the cost of high quality data collection to all those who want to do it, primarily by creating a) maximally comprehensive and reliable information on the nonprofit arts field as a whole and b) a universe definition and sample frame that will make it easy for others to carry out specialized studies based on stratified random samples of well-documented populations. In short, we recommend a modest tactical centralization of effort in order to create a workable foundation for a system that would support a long-term strategy of decentralization in initiative, focus, and funding.

A tripartite approach. We propose a plan that builds on existing resources to create a feasible, flexible, and cost-efficient system that will integrate and facilitate the efforts of the public arts-support system, private philanthropists, private arts service organizations,

and university-based and other research specialists. The first component -- *a unified data base (UDB) on the universe of arts organizations* -- represents the major new area for public and private investment. The UDB is the centerpiece of the system and the platform from which the two other components can be launched, with support from private sources or private/public partnerships. The UDB would annually register a few basic data elements on every nonprofit arts organization in the United States. Such a system would permit analysis of change over time in a few key financial and activity measures; analyses of rates of formation and dissolution of arts organizations of different kinds; and the extraction of samples, including specialized and stratified samples, for more limited research efforts.

In addition to the UDB, the system as a whole would include research on organizations in particular disciplines, for which service organizations would continue to take primary responsibility. The presence of the UDB, however, would enable service organizations to collect data from the field as a whole, and not simply from their memberships, in which the larger and more established organizations tend to be represented. Therefore, they would be able to project systematically the results of this research to their fields, something they cannot do now. This new capacity would also make them less dependent upon expensive, difficult-to-maintain, and unrepresentative panel studies (studies that depend on information being collected repeatedly from all members of the same set of organizations) for tracking change.

The third part of the overall system would comprise locally-sponsored community studies that explore critical issues that a national system cannot practically address at present. Such studies will address concerns of particular local sponsors and also serve as a research-and-development base for addressing significant methodological and substantive issues in a cost-efficient manner.

The importance of decentralization. In advocating this approach, we explicitly reject the alternative that many other policy fields employ, of collecting detailed information from the field on an annual basis through a single instrument or set of instruments that seek to be comprehensive in coverage. Such a highly centralized system is probably not feasible at present; it would impose an unjustifiable level of respondent burden (with the probability of low levels of compliance); and it would certainly lack the flexibility to serve multiple (and at present unforeseeable) user needs, thereby failing on the criterion of cost-efficiency.

The system we advocate focusses only on those needs that can be served through the collection and statistical analysis of aggregate data. It would not be designed to serve needs -- often served adequately by existing systems -- that require inspection of data from identified organizations or single cases, such as grants management, networking, or benchmarking.

We refer to the discussion that follows as a sketch rather than a blueprint, for two reasons. First, the creation of a UDB requires a series of decisions about the organizations covered, data bases relied upon, data elements collected, and the location of responsibility for the design, conduct and oversight of the research. Our aim is to describe the issues, note alternatives, and suggest considerations to take into account in choosing among them. The choices themselves, and the design of the system, should emerge out of a deliberative process that engages a group of research specialists, arts organizations, public and private grantmakers, and other stakeholders and data users, in some cases based on information not available at this time. Second, we believe that even at the blueprint stage, flexibility requires substantial openness, so that initiative in much of the system (e.g., for disciplinary and community research) remains decentralized.

A Unified Data Base

The core of the plan is the unified data base, which should be organized around the principles of high data quality, the broadest possible coverage of the population of arts-producing, sponsoring, and exhibiting organizations, and compilation of a very limited number of data elements of great importance.

Payoffs. Such a system would provide several immediate payoffs:

1. Because it would be based on a comprehensive definition of the population of arts organizations, it would provide the first reliable information on the composition of the arts sector.
2. It would provide reliable trend data on the size of the arts sector and on rates of incorporation and death by type of arts organization. This would enable us, for the first time, to observe change over time in the composition of the arts sector.
3. It would provide information on change over time in the basic data elements included in the system, for the sector as a whole and for subsectors. These elements might include, for example, revenues, expenditures, activities, staffing, and audience

base.

4. Data would be made available through the World Wide Web or its equivalent so that even users with minimal research experience could quickly and easily answer simple questions by running menu-driven cross-tabulation programs, while more sophisticated users could download data for more complex analyses.
5. The data base would provide a versatile platform for additional work, enabling researchers in service organizations or local communities to identify, stratify, and sample populations of arts organizations on the basis of any of the data elements included in the system.

Issues: What Organizations Would be Included? Many of the men and women we spoke with during the needs assessment portion of this study emphasized the importance of establishing the broadest possible definition of arts organization. At the mini-conference that the NEA hosted in June 1996 to discuss an earlier draft of this report, participants re-conceptualized the goal of a data base, usefully in our opinion, as to track not arts organizations *per se*, but *arts activities*, with data on organizations serving as a means to that end. One implication of this is that the population of organizations to be included in the data set be not "arts organizations" *per se*, but rather organizations providing significant arts programming. If we are interested in tracking the profile of the arts in the United States, then this revision is crucial, for it enables a data system to avoid being biased towards activities that are disproportionately located in organizations that are entirely devoted to the arts (i.e., the usual definition of "arts organization").

At the same time, if the cost of a unified data base is not to be excessive, it will be necessary to make compromises. As we have noted throughout this report, it is more expensive to identify and collect data from small or weakly-institutionalized arts organizations than from large organizations in the established disciplines. It will be necessary to build a data base using organization lists from established national sources, ideally those that also record information about those organizations on a regular basis.

The crucial initial design decision, then, will be about what systems to use as the basis for establishing the population of arts organizations. The two major contenders are the IRS 990 data base and the NASAA National Standard information system. As we have seen, the advantages of the former is that participation is required, compliance appears to be relatively high (leading to good coverage of all but very small arts organizations), and

data are produced in machine-readable form. As we have also seen, there are several disadvantages to the IRS 990 data: Organizations that are not primarily arts-producers but which do provide significant arts programming would not identifiable; very small organizations are not required to participate; the system has included many defunct and misclassified organizations (but new controls may limit such errors in the future); and subcategorization of arts organizations is rudimentary.

By contrast, the NASAA system includes all organizations that apply to state arts agencies for grants, including very small organizations and organizations that are not exclusively or even primarily arts producers; it uses the most sophisticated extant system for classifying grant recipients and activities; it contains more data elements than the 990s; it does not contain defunct organizations; and it is run by a network of organizations (NASAA and the SAAs) that has accumulated substantial expertise in the collection and use of arts data and that has an established working relationship with the NEA. At the same time, it is not perfect, for it was designed as a data base on grants rather than on organizations. The major weakness is the fact that organizations that do not apply for grants from state arts agencies are not included, as a result of which its coverage in any given year is much less complete (though also less biased towards organizations that do only arts programming) than that of the IRS 990s. (It would be worth exploring the extent to which using data from more than one year would improve the inclusivity of lists prepared from National Standard data.) Moreover, in so far as the types of organizations applying to state arts agencies varies from place to place, a list generated from National Standard data will have regional or state-level bias. (This form of bias is likely to be particularly problematic in fields in which only some states offer grants, and where eligibility is conditioned upon different definitions of "professionalism" in different places.) Finally, some interesting elements in the National Standard are not mandatory, and thus are only spottily reported.

As chapter 4 demonstrates, the IRS 990 and National Standard data only capture a portion, albeit a large portion, of the population of arts organizations, and these portions are not entirely overlapping. Deciding about the role of each in a new system requires more information about each. For the IRS 990s, it will be important to observe the extent to which the new system to be implemented this year improves coding quality and addresses other data-quality problems. For the National Standard, questions remain about the

inclusiveness of the population, the extent of compliance and data quality on particular data elements and, especially, the cost of converting a grants data base into an organizations data base.

Without wishing to prejudge the matter, we believe that the IRS and NASAA data bases are complementary and that a UDB should be based initially upon both the IRS 990 and the NASAA data bases, so that it would include both 990 filers that have not applied for grants in a given year and significant arts producers that are not included in the 990 data base.

One difficulty in using more than one data base to establish a population of arts organizations is that organizations may appear under different names in different data bases. This problem can be solved by relying on the Employer Identification Number (EIN) to establish the identity of organizations with similar but different names. It is likely that it will be necessary to add a digit to the EIN to distinguish between separate arts organizations that are subsidiaries or divisions of the same umbrella organization (e.g., the Yale University Art Gallery and the Mellon Gallery of British Art, both of which are part of Yale University and therefore have the Yale EIN).

Another difficulty in using data bases collected for other purposes is that doing so inevitably introduces delay into the system. For example, whoever is responsible for putting together the UDB for the 1998 fiscal year would have to wait until the IRS 990s and the National Standard data were processed. For this reason, when the timeliness of information is critical, it may be necessary to conduct highly focussed flash surveys of samples of respondents from earlier years to identify trends as they are happening. (The capacity to conduct such flash surveys on valid samples of arts organizations would be yet another benefit of the UDB.)

Issue: New data collection efforts. At the same time, a UDB cannot consist exclusively of IRS and National Standard Data. Independent efforts to collect data will be required.

As we have seen, many arts-producing organizations identified in our studies of local metropolitan areas did not appear in the IRS or NASAA data bases. Although it may be necessary for reasons of feasibility to establish the initial population of organizations by merging the IRS and NASAA data bases, eventually a UDB should draw on other sources of information to supplement these sources. As we saw in chapter 4, locally collected lists

of organizations are often the most comprehensive. We do not know how broadly available such data bases are, however. One criterion for the selection of the three metropolitan areas we studied was that they contained active and well organized local networks of arts organizations that could provide such information. We would recommend continued contacts with local arts agencies and philanthropic foundations (perhaps through the National Assembly of Local Arts Agencies and Grantmakers in the Arts) with the goal of maximizing the use of locally-generated resources in identifying the population of arts organizations.

A minimal data collection will be confirmation of the active status of organizations on the list each year. This will not be necessary for organizations in the National Standard (because their presence in the data base indicates that they applied for grants, and therefore existed); but it will be for organizations in the IRS and other data bases that are not renewed annually.

The UDB will also require an independent collection of information from arts organizations, because not all data elements will be available from all sources, and because some organizations in the population will not be on the IRS or National Standard data bases. As noted earlier, such efforts may be costly if data generated are to be reliable and if compliance is to be high. Although it would be desirable for such data to be collected annually, collection at two-year intervals might be possible as a cost-saving measure. (Alternatively, data could be maintained annually on a core of organizations, with rotation of the others.) Whatever the precise plan, we recommend the following guidelines for such an effort:

1. As noted earlier, keep the number of data elements small and limited to information that organizations can readily supply.
2. Develop a network of partners -- state and local arts agencies, private grant-makers, and arts service organizations -- to communicate the importance of the research and of each organization's collaboration in the production of information as a public good that will serve the field as a whole.
3. Plan for numerous mail and telephone contacts with potential respondents, including technical assistance in completing the survey.
4. Encourage partners to sponsor workshops and provide technical assistance on their own to organizations that have difficulty completing the survey.

5. A long-term goal would be to develop a system whereby organizations would automatically enter data into the data base when they apply for a state arts agency or NEA grant.
6. The key to this component is quality: Because these data will serve not only as a critical source of arts information but as a sample frame for the field's other survey efforts, attention to quality must be unstinting.

Gaining compliance will require convincing partners and respondents that the enterprise is worth their while. Major service organizations, state and local arts agencies, and grantmakers should readily recognize the value of the project, and they should have a concrete stake in it through representation on advisory bodies. The system will have to rely on them to a great extent to convince respondents that their cooperation is important. But we would also emphasize the importance of communicating to potential respondents that the data will be available to and readily useable by anyone with access to the internet at their local library and enough research background to interpret a table of frequencies or a two-way cross-tabulation.

Issue: What Data Elements Should be Collected? Key data elements would certainly include organization name, location (address, state, region, congressional district), organizational form (e.g., nonprofit organization, public agency, subsidiary of another organization), and discipline, revenues and expenditures; and might also include operating deficit or surplus, staff size, types of activity undertaken, scope of activity, and number of persons reached. This list is by no means fixed in composition, and a final selection should be undertaken with the advice of a panel representing the user communities. What is important is that the elements have the following properties.

1. They should be of broad interest and be capable of registering significant changes.
2. They should be available from existing sources or be data that organizations can supply accurately and without undue burden.
3. They should reflect the artistic and educational missions, as well as the financial status, of arts organizations.
4. They should provide a basis for analysis of important trends.
5. They should provide a basis for stratifying the population of arts organizations along lines of significant interest to researchers who wish to use the data

base as a sample frame for further studies.

To some extent, the nature of the items to be collected is related to the need to assure respondents that sensitive information about their organizations will not enter the public realm. Of course, no information that is a matter of public record (e.g., data on the IRS 990s) need be kept confidential. But respondent communities may wish to keep certain other types of information to themselves. There are four major approaches to confidentiality. One, which is currently most widely used in the arts, is to limit access to the data. For reasons described above, we believe strongly that this is the worst solution and one that would render public or philanthropic investment in a project of this kind indefensible on grounds of cost efficiency.

A second approach, which is to the others as abstinence is to birth control, is not to collect such data. For example, a unified data base should not collect information on staff salaries. Such data are better collected by service organizations or by researchers with other particular focussed purposes.

There may be a strong argument for collecting some information that respondents would not wish to share with the general public, however. Information on operating deficits perhaps falls into this category for some organizations. If the number of items of this kind is small, as it almost certainly would be, and if these items are not of great interest to most users, such items could be omitted from the publicly available data set, with usage restricted to qualified researchers who observe particularly stringent guarantees. (The Census Bureau uses this method, requiring researchers to sign a legally binding agreement and use data on the premises under professional supervision in order to gain access to such potentially sensitive information as respondents' geographic area, on the basis of which some respondents could conceivably be identified.) If demand for such data is modest, this method would probably be the easiest.

A final approach is to leave the names and addresses of organizations out of the publicly available data set and to introduce "noise" into other items by making small, random variations in the value of variables that can be traced to public sources, which makes it difficult to connect a case to a specific organization. This process would effectively ensure confidentiality, as the cost of creating an algorithm to make respondents identifiable would vastly exceed any conceivable interest in doing so. Moreover, it would do so without influencing the validity of the research conclusions that could be drawn from

the data. But it would have the following disadvantages: The approach is relatively difficult to understand and some respondents might be reluctant to trust it; it would increase the cost of the data preparation; and, in order to ensure confidentiality, it would be necessary to eliminate fine-grained locational information that is of potential importance for many legitimate research purposes.

For all of these reasons, we are inclined to recommend a combination of the second and third option for the UDB. This would mean collecting information on sensitive topics only if it is of crucial importance; and leaving such items off the publicly available data base, while making it possible for qualified researchers to arrange to have access to the information under controlled conditions. Such an approach could be supplemented by other guarantees, for example, making it impossible for casual users of a data-base web site to extract the records of particular organizations by name, address, or case identification number.

Issue: Who Would Manage Such a Data Base? No single organization could or should conduct a research enterprise of this dimension without the assistance and cooperation of many other groups and agencies. Examples of such cooperation are, of course, standard both within and outside the arts. For example, the NEA's Survey of Public Participation of the Arts is sponsored and overseen by the Endowment's Research Division; the survey is designed and revised with the advice of panels of professional researchers; the survey is fielded by the Bureau of the Census (in previous years through a cost-sharing arrangement with the Department of Justice, which includes its own survey in the same field effort); and the data are archived and made available to researchers through the Interuniversity Consortium for Political and Social Research (ICPSR), a nonprofit organization headquartered at the University of Michigan.

In thinking about responsibility for administering a unified data base, it may be useful to separate administration into the components of study design and revision; oversight and management; survey conduct (question administration, follow-up, and data preparation); and data distribution.

The NEA Research Division would necessarily play a central role in developing and ensuring the continuing stability and quality of this data base, in partnership with other interested parties. The Research Division has established experience in this kind of undertaking in its stewardship of the Survey of Public Participation in the Arts, the most

important data base on the audience for the arts in the U.S. and in many respects an undertaking parallel to the one we are advocating here. Although other arrangements are possible, we assume that the Research Division should take ultimate responsibility for overseeing the design and conduct of the UDB.

Because of the many user communities these data would serve, and because of the crucial importance of enlisting the enthusiastic cooperation of many potential partners in this enterprise, we would recommend that the design and revision of the study be informed by two panels. One, a General Advisory Panel, would consist of a dozen or so representatives of the NEA, state and local arts agencies, private grantmakers, arts service organizations, and researchers. Its purpose would be to advise the Research Division on matters of policy and on strategies for ensuring that the data will be of value to the arts field and that respondents will be encouraged to cooperate in the effort. The role of this committee would be particularly important in the initial planning for a UDB, but it would retain an advisory role thereafter. The other, a Research Advisory Panel consisting of professional researchers and experts in technical aspects of survey conduct, would advise the project on such matters as survey conduct, question design, and data preparation. Its members would be appointed for four-year terms, and it would meet at least once a year. It would discuss the issues its members deemed important, but also respond to requests for advice from the Research Division and review recommendations from the General Advisory Panel for technical feasibility and impact on data quality and accessibility.

The role of other agencies in study design will depend in part on decisions about the use of other data bases as inputs to the UDB. For example, if the National Standard is a major foundation for the UDB, NASAA would necessarily play a central role. If the IRS 990 data base is central, than close working relationships with the IRS or with the National Center for Charitable Statistics will be important.

Responsibility for field implementation and data preparation should be vested in a nonprofit organization or public agency with substantial stability, commitment to undertaking research of this kind, and an established capacity to do so. Such organizations might be public agencies (e.g., the Census Bureau or the National Center for Educational Statistics), freestanding nonprofit organizations (e.g., the Urban Institute), or university-based research institutions (e.g., the University of Chicago's National Opinion Research Center [NORC], or the University of Michigan's Institute for Survey Research). (We

would not suggest subcontracting either to a commercial research group, which might be more likely to alter its mission to accord with its obligation to maximize net returns, and which would have greater incentive to exploit the dependency that will be created upon whatever organization gains experience in conducting the study after the first several years. Nor would we suggest vesting responsibility for conducting the survey in a university center that specializes in research on nonprofits or on the arts, because few universities are likely to guarantee that such centers will continue in their current form over an appropriate time frame and because few, if any, have the capacity to manage a project of this scale. The latter would also be true of the smaller university-based survey research centers.) The choice should be made with substantial care, as comparability and quality of data will depend on establishing a long-term working relationship with an organization of this kind.

Finally, data should be archived as widely and accessibly as possible. Certainly they should be lodged at the ICPSR. An essential part of the design of the study will be to create a system to ensure electronic access to the data for users of varying experience levels. This might be done in consultation with organizations like NORC and ICPSR that are in the vanguard in exploiting new technologies for such purposes.

We focus here on the UDB because it is the part of the system upon which other parts will depend; because its function of providing ongoing, reliable data on trends and making available a reliable sampling frame for other research purposes is the most important; and because it is the part that will require the most concerted and focussed cooperative effort. Two other parts of the larger data system we recommend, however, deserve mention.

Discipline Studies

The major service organizations have traditionally taken a leading role in collecting and disseminating data on the disciplines. In particular, the American Symphony Orchestra League, Theatre Communication Group, and Association of Art Museum Directors have collected and disseminated data to their members on a regular basis for many years. Such data have been useful for tracking financial trends in these fields and for serving the needs of the member organizations for information.

Under the system we envision, the service organizations would be full partners in the business of data collection and would continue to play the major role in ongoing

research on the disciplines. But the existence of the unified data base would enhance that role in several ways.

First, most service organizations collect data only on their membership, often because lists of nonmembers are not available. The unified data base would enable them to supplement information from members with reliable samples of nonmember organizations. Using the UDB as a tool, service organizations could follow trends among smaller organizations, report on rates of incorporation and disbanding in their fields, and identify potential member organizations and other organizations that might benefit from the services they offer.

Second, information on arts organizations has been uneven due to differences in the interest in and capacity of service organizations to collect and disseminate data. By lowering the cost to service organizations of identifying and sampling organizations in their fields, the existence of a unified data base would enable some service organizations that do not now do systematic research to begin to do so. Moreover, private and public policy makers concerned about the welfare of emerging fields without effective service organizations could support data collection projects.

Third, because service organizations collect data to address differing needs, their reports do not make it possible to compare organizations in different fields. The unified data base would permit comparison across disciplines (and among disciplinary subsectors varying in size, structure, or predominate type of activity) on the data elements included within it.

Community Studies

In places with well-developed local arts-support sectors, we anticipate an important role for coalitions of local arts agencies, private grantmakers, and arts service organizations in mounting surveys that respond to the particular, varying needs of their communities. The existence of a unified data base can lower the cost and increase the quality of such surveys by providing a sample frame of local organizations. Moreover, basic information on these organizations could be downloaded directly from the UDB, to be supplemented by additional data collected by local researchers.

Local research coalitions are potentially critically important partners in research on arts organizations. Working together over a number of years, local arts agencies, private

grantmakers, and arts service organizations can develop unparalleled local knowledge and expertise. Ongoing community surveys could serve as research and development projects for the UDB, and play a major role in enhancing our understanding of the arts by addressing issues that no national data system could afford to study.

A crucial role for such local efforts reflects the increasing perception of many local grantmakers that the arts in the community constitute a system of interrelated parts -- related to one another and to other kinds of organizations -- and that effective stewardship requires an understanding how this system works. From here it is a small step to conceiving of the arts as a network of organizations, artists, and audiences. Community-based studies can gather information on the relationships among organizations, as well as tracking over time the influence of changes in one part of the arts systems on another (e.g., of resources devoted to grantmaking on the amount of nonprofit artistic activity, or of the number and level of activity of neighborhood organizations on participation by historically underserved publics, or of the level of nonprofit arts activity on the vitality of commercial cultural sectors and tourism). Potentially, information on arts organizations can be combined with information on artists and audiences. For example, the "hypernetwork survey" approach described in chapter 1 has the potential to provide estimates of the size and composition of the local audience for each organization, as well as identifying changing attendance patterns in the local public. Combined with ongoing research on arts organizations, such participation surveys could illuminate the relationship between changes in organizations' programming or marketing efforts, and changes in their audience. Interpreted by members of local research coalitions with deep, first-hand knowledge of the local arts community, such information could suggest new strategies of grant-making, technical assistance, and other forms of public and private investment. Studies of this kind, drawing on the UDB but going far beyond it, are best carried out at the local level, reflecting local needs and taking account of local expertise.

Communities can also serve as laboratories to develop research approaches to topics that are too complex, or require too much local knowledge, to include on a national survey instrument. The men and women with whom we conferred in preparing this report expressed great interest in such issues as audience composition, the nature of artistic "quality," performance assessment, arts activities that are not undertaken by formal organizations, and interdependence among arts and cultural subsectors. These are crucial

topics, but we know too little about how to collect reliable information about them to include them in a UDB at the present time. If a national data system can ever address such complex matters responsibly, pilot studies in local communities will be necessary to develop effective methods.

Community research can also be useful in developing methods that make it possible to expand the population covered by the UDB to include a broader range of arts organizations that cannot easily be located by conventional means. It may prove possible for the local efforts to supplement the UDB, perhaps by creating a special file of organizations tracked by local research coalitions that do not appear in the national data base.

* * *

We do not underestimate the challenges to implementing a system of the kind we recommend. Resources must be found to maintain a unified data base. Coalitions must be forged to ensure that arts organizations will cooperate with such a system. Additional information on the capacity of the National Standard and the revamped IRS 990 data base to meet the needs of such a system must be gathered, and costs estimated. But we are optimistic that an approach based on cooperation and a natural division of labor between public and private, and national, state, and local, initiative, is one that can provide essential data in the relatively near term, while serving as a sound platform for more ambitious efforts on the part of multiple users. In this sense, we view it as meeting the criteria of feasibility, flexibility, and cost efficiency specified at the beginning of this chapter.

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Appendix 1 : Advisory Committee

Helmut K. Anheier
Associate Professor of Sociology
Rutgers University

John Paul Batiste
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Texas Commission on the Arts

William Baumol
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National Endowment for the Arts

Catherine French
President
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Millicent Hall Gaudieri
Executive Director
Association of Art Museum Directors

Marian Godfrey
Director for the Arts
Pew Charitable Trusts

John Sullivan
Executive Director
Theatre Communications Group, Inc.

Julian Wolpert
Professor, Woodrow Wilson School
Princeton University

Appendix 2: Conference Participants

Data on Arts Organizations Conference
National Endowment for the Arts
June 7-8, 1996

Kelly Barsdate
National Standard Coordinator
National Assembly of State Arts Agencies

John Paul Batiste
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Texas Commission on the Arts

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Catherine French
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Princeton University

Holly Sidford
Program Director
Lila Wallace/Reader's Digest Fund

Alisha Tonsic
Management and Government Programs Associate
Theatre Communications Group, Inc.

Appendix 3: Sample Interview Protocol

Protocol for Art Agencies/Public Sector Policymakers

INTRODUCTION

Hello. My name is -----, and I am with the Center for Arts and Cultural Policy Studies at Princeton University. Thank you again for agreeing to take this time to talk to me. As you know from the project description that we sent you, we are interested in talking to you today about your experience with using data on arts organizations in your work, and your ideas about the data needs of the art fields. This should take about 30 minutes or so of your time. Is this still a good time? Good, thank you.

DEFINITION

1. Please describe the kind of general or aggregate information about arts organizations that you most frequently look for and use in your work.

(Answer might be financial, programs and audiences, performance.)

IF ANSWER IS "I DON'T USE THEM," PLEASE GO TO QUESTION AT END.

2. You mentioned XXX. Can you tell me what type of data in particular you look for regarding XXX?

3. For what purposes do you use the data? Can you try to be specific?

4. Who is the audience for the work you do with these data, in other words, who sees them, and in what form do you give it to them?

(Answer might be: my board of directors, my boss)

5. Where do you go to get the information you need?

(Answer might be: the TCG guide, etc.)

IF RESPONDENT SAYS THEY COLLECT OWN DATA, THEN:

Would you be willing to send us a copy of your survey instrument?

DATA USE, AVAILABILITY AND SATISFACTION

6. Do these data come in a form that is well suited to your needs?

Do you find that you have to rework the data to get them in to a form that you can use? If yes, then how do you rework these?

Do you have any problems with the data in the more substantive way?

7. You mentioned earlier that you are interested in XXX. Do you follow trends in XXX over time in your data work?

IF YES, then: How confident are you that the information available over time is reliable?

8. What kinds of information, if any, would be useful to you in your work that are not available?

OR, IF R HAS ALREADY MENTIONED SOME, THEN:

You've mentioned a few areas where data are not available--are there any others you can think of?

9. Are there kinds of information that you yourself don't necessarily use directly in your work but that you think the field as a whole needs?

PROBE HERE AS TO WHY

A NATIONAL DATA COLLECTION EFFORT

10. Do you think it would be useful if there were a uniform data collection system for arts organizations? By this I mean a system might include four elements:

1. **it includes many kinds of arts organizations**
2. **it includes the same data elements for each**
3. **it is based on reliable sampling techniques, and**
4. **and it gathers the same data year after year in order to assess trends.**

If NO: Is there anything short of a uniform system, say, something more standardized than the current system, that you might be interested in?

11. Are there any other types of data or variables that you would include in such a system?

What kinds of researchers or organizations should have access to these data?

Who do you think should administer such a system?
(BE READY TO PROBE HERE)

12. What kinds of issues about confidentiality would have to be dealt with if there were to be such a system?

PROBE, IF NECESSARY: What type of issues?
For whom?

Is there a way to get around this?

13. Do you think that arts organizations would feel too burdened to collect additional data?

Do you have any ideas on how one could minimize such a burden?

14. Do you have any thoughts on this, something that we haven't touched on that might be important to you or to the field as a whole?

THANK YOU VERY MUCH. I REALLY APPRECIATE YOUR TAKING THE TIME TO HELP US OUT.

If respondent was helpful, add: YOU HAVE BEEN EXTREMELY HELPFUL.